

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE Fr.3.9; GERMANY DM2.0; ITALY L.500; NETHERLANDS Fl.2.1; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.0; BIRE 12p

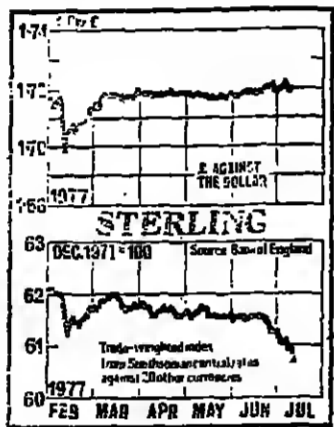
NEWS SUMMARY

GENERAL BUSINESS

Owen defends Market strategy Equities off 3.9; £ rises 5 points

Dr. David Owen, Foreign Secretary, last night emphasised the need for continued British membership of the Common Market and the need for working for reform from within the system.

Equities ended above the day's low as uncertainties kept buyers on the sidelines. FT 30-share index closed 3.9 off at 439.8 (3 points off earlier).



IRA extradition Dublin court ordered the extradition to Britain of Brendan Doherty, who is wanted by Scotland Yard for questioning about a bomb attack in the O area including a tube explosion.

News guilty Editor of Gay News Mr. S. Lemon, has been found guilty of blasphemous libel.

et hijack Jackers aboard a Soviet jet airliner at the end of their mission.

Japanese election Party has retained control of the Upper House of the Diet.

at head freed head of the Fiat car company in France kidnapped three months ago.

male jury all-female jury has been empanelled in the Old Bailey to try a rape charge after the once counsel had objected to men who were called for jury service.

Davis on bail George Davis has been released on bail of £15,000 until August 4.

tefly... Nialla were all out for 218 in their second innings of the 1st Test match.

old Utting, a Canadian journalist arrested in Uganda, has been released to go on holiday with President Amio, according to Radio Uganda.

Table with 2 columns: Item, Change. Includes Chief Price Changes Yesterday, Rises, Falls, and a list of various commodities.

New picket law hint as 18,000 march

BY PAULINE CLARK, LABOUR STAFF

ON A DAY which saw the biggest demonstration of trade union protest so far in the 11-month Grunwick dispute, the Government hinted yesterday that changes might be made in the law on picketing to those with a "legitimate" interest in the dispute.

The demonstrations followed strong words in the Commons yesterday by Mr. Merlyn Rees, the Home Secretary, who said that the number of police injured in the Grunwick demonstration was "unacceptable" and that injuries had not been inflicted by those who supported democratic Government.

Referring specifically to the period before the dispute blew up last August, Mr. Shields, representing APEX, said the company had employed a considerable labour force largely made up of Asian women paid comparatively low wages and who had no redress.

Rise in output prices slackens

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE RATE of increase in industry's output prices is at last beginning to show signs of slowing down while raw material costs have fallen for the second month running.

This suggests that the turning point for retail price inflation is probably no more than a couple of months away, in line with the Government's own forecast.

The Department of Industry announced yesterday that the index of prices charged for manufactured products at the factory gate (output prices) rose by 1 per cent last month.

Table showing Wholesale Prices (1970=100) for Output (Home-sales) and Raw Materials from 1976 to 1977.

Spanish devaluation expected as foreign exchange deals halted

BY ROGER MATTHEWS

EXPECTATION of a peseta devaluation against most other leading currencies increased sharply here to-day after the Spanish Government suspended foreign exchange dealings shortly before its first formal Cabinet meeting since the June 15 General Election.

Ryder repays £49,000 to Reed

BY NICHOLAS COLCHESTER

LORD RYDER, the retiring chairman of the National Enterprise Board and former chairman of Reed International, received a payment of £49,000 (£49,000) in 1976 from Reed's chief Canadian operating subsidiary by way of a third party.



Police struggle to hold back the crowd outside Grunwick.

Rise in output prices slackens

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

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ON OTHER PAGES

Table listing various news items and their page numbers: Appointments, Letters, TV and Radio, etc.

IN NEW YORK

Table with 3 columns: Item, July 11, Previous. Includes Spex, 1 month, 3 months, 12 months.

Table with 2 columns: Item, Page. Includes Features, The German economy, Society To-day, etc.

LOMBARD

Failings of the pro-EEC lobby

BY JOHN CHERRINGTON

IT WILL TAKE a good deal more than an angry lecture by Roy Jenkins to persuade critics of EEC to shut up...

Election issue

The action which joined us to the Community was a vote in Parliament and is the basis for all which has followed...

Mutual defence

It has prevented the prospect of a future European war. But has it? There is NATO to which one of the leading EEC members...

RACING

New laurels for Piggott

TONY INGHAM'S Bold Lad two-year-old Persian Bold, whose dam, Reikunner, is half-sister to Sir Pedro...

At Salisbury, Persian Bold, a brown colt, justified some heavy support in the hands of Lester Piggott...

With the runner-up and third declining to renew rivalry with Persian Bold here, the chief threat to the Headley juvenile (again ridden by Piggott) as probably Fulke Johnson...

SALEROOM

BY ANTONY THORNCROFT

Hilliard miniature fetches £64,000

A MINIATURE by the artist Hilliard, dated 1657, and £7,200 celebrated artist Nicholas Hilliard of a young nobleman...

CRICKET: SECOND TEST

England should complete victory this morning

AUSTRALIA were bowled out for a modest 218 in their second innings...

England's No. 10 and 11 batsmen came out on the fourth morning of the second Test to face the howling of Thompson and Bright with the scoreboard reading 436 for nine...

WINE

BY EDMUND PENNING

Latour's vintage years

BEFORE the extraordinary sale last month at Christie's of 52 vintages of Latour, many of them never seen before in the saleroom...

TV Radio section listing various programmes and their times.

F.T. CROSSWORD PUZZLE No. 3428

Crossword puzzle grid with numbers 1-28.

ACROSS and DOWN crossword clues and answers.

Radio 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

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England consolidate their breakthrough when Tony Greig (left foreground) tra Walters leg before. Behind the wicket fielders sharing his glee are (from t Chris Old, captain Mike Brearley and wicket-keeper Alan Knott.

WINE

BY EDMUND PENNING

Latour's vintage years

BEFORE the extraordinary sale last month at Christie's of 52 vintages of Latour, many of them never seen before in the saleroom...

New Law Cassette

CRETNEY: ADOPTION (July 1977) By S. M. CRETNEY, Solicitor. The Children Act 1975, which reformed ad law and the Adoption Act 1976.

EUROPEAN NEWS

Tugendhat hits at attitude of U.K. Ministers

MR. CHRISTOPHER Tugendhat, EEC Commissioner for the Budget, yesterday sharply criticised British Ministers for adopting aggressive attitudes in Common Market negotiations...

Fifteen die as floods ravage S. France

PARIS, July 11. THE VIOLENT storms and flooding which struck three departments in south-west France at the end of last week killed 15 people with eight still officially not accounted for...

The Albanians march on alone—the only ones in street

RENEWED ALBANIAN attacks on Soviet and Yugoslav "revisionism" combined with last week's outburst by Zeri Popullit, the Tirana party paper, against the Chinese "theory of three worlds"...

Soviet Press boosts attack on Carter defence policy

MOSCOW, July 11. THE SOVIET Union is stepping up its campaign to discredit President Carter's defence strategy. During the week-end, it denounced Mr. Carter for contemplating development of a neutron bomb...

Kidnappers release head of French Fiat

PARIS, July 11. THE HEAD of the Italian Fiat company in France, Sig. Luciano Revelli-Beaumont, who was abducted by armed men in front of his Paris home nearly three months ago, was today released by his kidnappers...

Business confidence still low in Portugal

LISBON, July 11. THE 1976 report of Portugal's National Development Bank (Banco Nacional do Fomento) shows that while some confidence was restored last year, investment intentions are still problematically low...

ITALIAN POLITICAL SCENE Stability returns

PERHAPS IT is the approach of the parliamentary vacation, but suddenly everything appears to be falling together neatly in Italy. The Bank of Italy's available reserves have about doubled to 85bn. in three months...



Sig. Andreotti's appearance of strength

The account of a Roman Catholic political organisation, Comunione e Liberazione, was shot in the legs by a man and a woman outside his home yesterday...

For the Prime Minister, Sig. Giulio Andreotti, the deal with the Communists and the other parties has given him the appearance of great strength and at little real cost.

Many Christian Democrats, on the other hand, believe an early election would enhance their party's strength and point to recent trends in that direction, although admittedly from tiny samples in local elections.

Malta workers suspended

VALETTA, July 11. SOME 4,000 public service employees have been suspended from duty in Malta for refusing to promise to work in strict accordance with conditions laid down in their contract...

Tourism shows recovery in Switzerland

ZURICH, July 11. THE SWISS tourist industry, which has recently been suffering from a decline, showed a 2 per cent increase in bednights for the last winter season.

Russia denies exit visa to scientist

MOSCOW, July 11. JEWISH SCIENTIST Benjamin Levich, who has been refused permission for five years to emigrate to Israel, has been denied an exit visa to attend a conference in his native Oxford University, he told Western reporters today.

Charter group in new Czech protest

VIENNA, July 11. THE "Charter 77" rights group in Prague issued a new protest calling for a general strike against Czech intelligence. It lists for the first time names of 130 writers, poets and artists...

Tito will visit Soviet Union next month

VIENNA, July 11. PRESIDENT TITO will visit the Soviet Union next month. He will arrive in Moscow on August 15 and will be accompanied by his wife and two children.

NOTICE OF REDEMPTION. To the Holders of Honeywell International Finance Company S.A. 6% Guaranteed Sinking Fund Debentures Due 1981. NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1966...

THE CHO-HEUNG BANK, LTD. SEOUL, KOREA. The oldest and most historic bank in Korea. One of the largest banks in Korea. Representative office now open in London. The Cho-Heung Bank, Ltd. is one of the leading commercial banks in Korea with a network of more than 90 branches covering the whole country.

AMERICAN NEWS

Lance finances threatens to prove embarrassing

BY JUREK MARTIN

WASHINGTON, July 11.

THE PERSONAL financial problems of Mr. Bert Lance, director of the Budget Office, are threatening to prove something of an embarrassment both to Mr. Lance and President Carter, a close friend.

Both Mr. Lance's office and the White House firmly denied on the week-end that the budget director had offered to resign because of these problems; but it remains possible that the stringent conflict-of-interest regulations covering the financial assets of senior government officials may have to be bent to accommodate them.

This year, however, the bank's stock, which is thinly traded over the counter, has dropped appreciably, from a price of about \$15 at the start of the year to about \$9. Its price was not helped last week by the well-publicized announcement that the bank was writing off \$2.3m. in real estate losses, would probably announce a loss for the second quarter and would either omit or cut its quarterly dividend.

Mr. Lance did not come to Washington as a poor man. In 1974, when he ran for the governorship of Georgia, he listed his worth at \$3.1m. in January of this year he placed it at about \$8m.

Alaska pipeline target flow hit

BY RAY DAFTER, ENERGY CORRESPONDENT

ALYESKA Pipeline Service Company sees little hope of reaching this year's target flow through the \$5bn trans-Alaska pipeline following Friday's explosion and fire at one of the pumping stations.

Damage to the pumping station which is 30 miles south of Fairbanks. The damage is put at \$2m. and \$5m. Alyeska hopes to restart operations within a week or so by routing the oil around a bypass system. This will need official safety clearance first, however.

Canadian-German uranium talks

BY VICTOR BRACKE

OTTAWA, July 11.

HERR HELMUT Schmidt, West German Chancellor, arrived here today to resume talks with Mr. Pierre Trudeau, the Canadian Prime Minister, with the uranium controversy a focal point for the discussions.

Mr. Trudeau, who is determined to forge a new "continental link" with European countries, will have to explain to Herr Schmidt how important nuclear safeguards to be. He is also aware that even the U.S., which supports tougher controls, feels that Canada has gone too far.

No happy anniversary

BY DAVID RENWICK IN PORT OF SPAIN

THE CARIBBEAN Community and Common Market, four years old on August 1st, is celebrating its birthday with a series of events, but the anniversary is anything but happy for many of the member states.

Over the unsolved issue of regional civil aviation was the last convention of his People's National Movement (PNM) he had now reached the point where he had considered the days of the decision of Jamaica and Guyana to apply for associate membership in the Communist bloc.

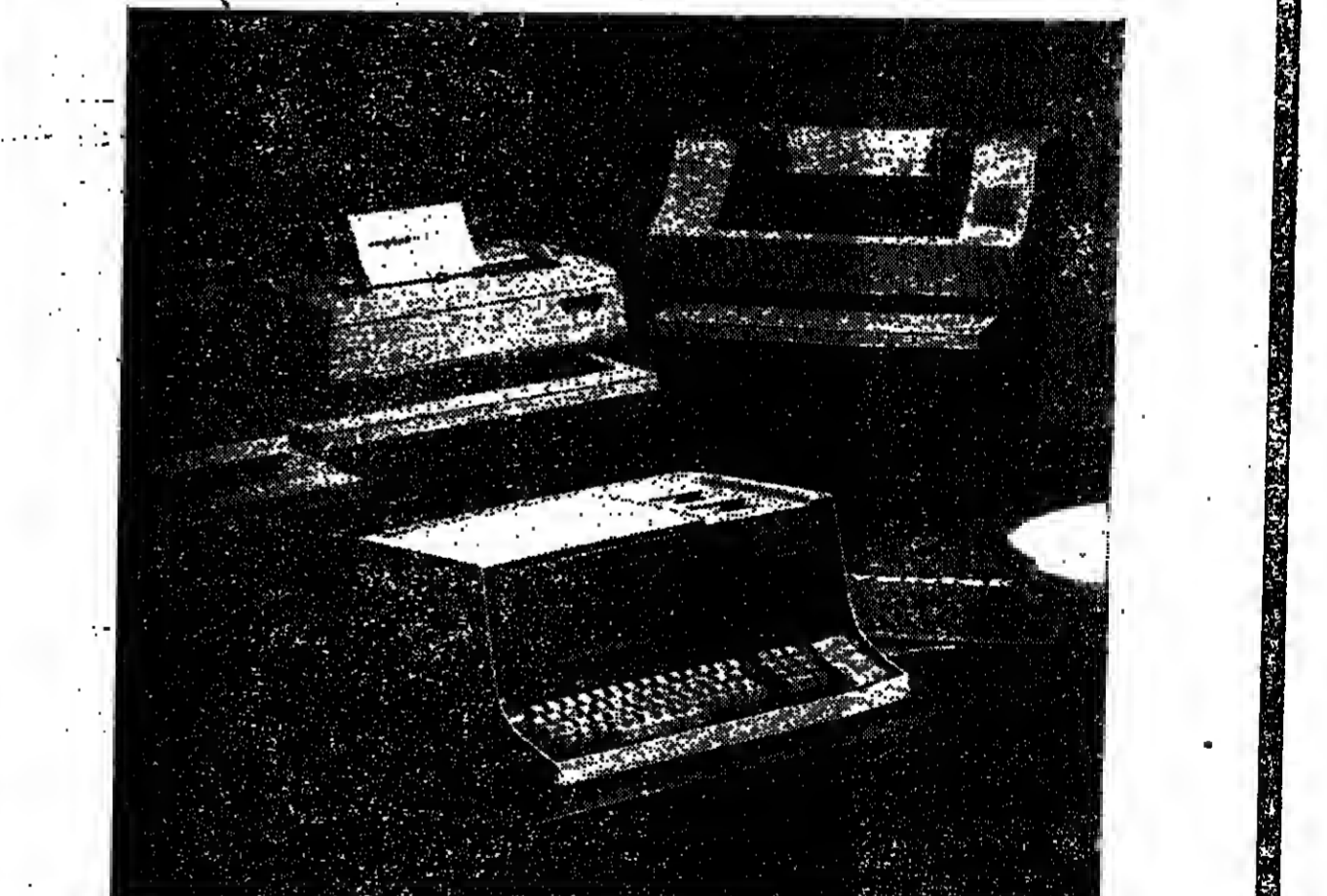
The Premiers of such territories as St. Lucia, St. Vincent, Dominica and Antigua point out that, after four years of Caricom, the LDC's share of intra-regional trade is a mere 3 per cent. They claim that they have been denied an equitable share of the expansion that has taken place in the regional economy.

Caricom prime have not met since 1975 with the exception of a one-day conference in Port of Spain last year, only by the leaders of More-Developed Countries (MDCs), Trinidad and Jamaica, Guyana and when the specific issue of Guyana was considered.

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Vertical text on the left margin: 'the only ones', ' Chrysler and Ford', 'Big car makers all', 'Chrysler and Ford', 'Big car makers all', 'Chrysler and Ford', 'Big car makers all'.

Vertical text at the bottom left: 'BANK, LTD.', 'Korea', 'open in London', 'more than 90 branches', 'New York and Singapore', 'Korea, we'.

OVERSEAS NEWS

Begin and Carter to avoid details

By David Lennon
TEL AVIV, July 11.
DETAILED DISCUSSION of the Middle East dispute will not be held when Mr. Menachem Begin, the Israeli Prime Minister, visits Washington next week, according to Dr. Nahum Goldmann, president of the World Jewish Congress, who met Mr. Begin yesterday.

Egypt, Jordan close ranks on Palestine ties

CAIRO, July 11.
KING HUSSEIN of Jordan indicated in a television interview yesterday, after his departure from Egypt, that he agrees with the official Egyptian view of the proper order of events in the Middle East.

ON OTHER PAGES

International Company News:
Result: large merger with... 21
Abercom/Proteus bid... 21
Farming and Raw Materials:
Australia-Japan sugar row crisis... 23
China may need more wheat... 23

OPEC to meet with price aligned but output in doubt

BY RICHARD JOHNS, MIDDLE EAST EDITOR
STOCKHOLM, July 11.
THE ORGANISATION of Arab and United Arab Emirates (OPEC) will begin its biennial Ministerial conference here tomorrow with the basic price re-aligned and unity restored in advance, but still with potentially divisive questions relating to differentials to be resolved.

MidEast terror 'aimed at Geneva'

BY HSNAN HIJAZI
BEIRUT, July 11.
THE campaign of terror which is sweeping certain parts of the Arab world at present is seen by informed observers here as the beginning of what may be the concerted effort in head off the convening of the Geneva conference on the Middle East.

Indian attack on industry

BY K. K. SHARMA
NEW DELHI, July 11.
THE INDIAN Minister of Industry, Mr. George Fernandes, today made another strong speech against private industry, suggesting that a confrontation between him and it is inevitable.

Government threat

The Australian Government will intervene if trade union action holds up vessels carrying uranium ore, Renter reports from Melbourne.
Mr. Peter Nixon, the Transport Minister, said all political parties and the Australian Council of Trade Unions have a commitment to honour existing uranium export contracts.

WORLD TRADE NEWS

MULTILATERAL TRADE NEGOTIATIONS Enduring obstacles

BY REGINALD DALE
THE CURRENT ROUND of world trade negotiations in Geneva has been dragging on in desultory fashion since February 1975, when a series of working groups was formally established.

Saudis reconsider Hijaz railway

By Rami G. Khouri
AMMAN, July 11.
SAUDI Arabia is once again seriously considering rebuilding the historic Hijaz railway line at a time when Syria and Jordan are pressing ahead with plans to build a standard-gauge rail line between Damascus and Amman.

Ruling coalition set to win Papua poll

By Colleen Ryan
PORT Moresby, July 11.
THE POSITION of the ruling Pangu-People's Progress Party coalition in Papua New Guinea improved today as the counting of votes continued in the national election.

Israeli exports still rising

By L. Daniel
JERUSALEM, July 11.
ISRAELI EXPORTS continued to rise during the first half of this year—at the rate of 26 per cent.

Soviet-Western trade up 18%

MOSCOW, July 11.
SOVIET TRADE with the West increased 18 per cent last year, according to the official Soviet news agency Tass.

Optimistic outlook for EEC pact with Peking

THE WAY seems clear for negotiations on a trade agreement between China and the European Community following talks here by an EEC team delegation last month.

Singapore buys DC-10

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT
SINGAPORE AIRLINES is to buy four U.S. McDonnell Douglas DC-10 Series 30-jet airliners, and is taking options on another four.

EXPORTS TO JAPAN
In the last of his series on Euro successes in Japan, Charles Smith discloses Fosco Minsen's joint venture with Japanese trading company.

Live and let li
buy elsewhere and use for... The result tends to be a flood of 'live and let li' which everyone gets... Fosco Japan has the new set of uniforms... Fosco International's success has been more than a back-up to the Japanese company...

Post-fave
Oil at reach
Expert to stop
Garages on Green
Boom in goods is f

HOME NEWS

Post Office Board 'favours a split'

BY JOHN LLOYD, INDUSTRIAL STAFF

THE REPORT of the Post Office Review Committee (Carter Committee), widely believed to recommend the splitting of the Post Office into separate posts and telecommunications corporations, will be published within the next two weeks. The most likely date is July 20.

The proposed separation of the two functions is understood to have the support of most Post Office Board members. Many of them feel that the quite different orders of problems thrown up by the two sides cannot be adequately grasped by the Board as a whole.

They also feel that the consistently profitable telecommunications division should be separated from the postal side. Though the post is expected to make a profit this year of about £2m, they have a cumulative loss over the last eight years of £235m.

This year's expected profit will represent less than one per cent of the £15.5bn turnover for posts, and the Post Office stresses that it cannot be regarded as significant. It is a widely held view on the Board that the two sides have been held together largely through the talents of Sir William Ryland, who is retiring

chairman, whose lifelong experience in the Post Office spans both its functions. Sir William Barlow, chairman-designate, takes over in November. Besides implementing the recommendations of the Carter Committee — which are not expected to become law for two to three years — he faces some delicate problems.

Many of the existing Board members remain dubious about the value of the restyled Board, and their doubts are shared by middle-ranking executives and management, whose unions have expressed reservations to the Department of Industry.

Technology Specifically, it is felt that decisions to be taken on introducing any new technology which might result in redundancies will be hard to get through a Board composed partly of workers' representatives.

Besides this, Board members — like the members of all nationalised industries Boards — receive salaries which compare unfavourably with those offered to senior managers in private industry. It is widely believed within

the Post Office that low salaries, together with general uncertainty about the future, are the main reasons why a number of Board-level appointments have not been finalised. Salaries for Board members (leaving aside the chairman and vice-chairman) range from about £13,000 to about £18,000.

Sir Edward Fennessy, the managing director of Telecommunications, who as vice-chairman had a salary of about £20,000, retires on July 24. He is to be succeeded — though not as vice-chairman — by his deputy, Mr. Kenneth Cadbury, in only an acting capacity.

Mr. Charles Beauchamp, the Board member for finance and corporate planning, is similarly an acting member. Mr. Dennis Roberts, who succeeds Mr. Alex Curral as managing director, posts, on July 31, has only a two-year appointment. Finally, any move to split the Post Office will face opposition from the Union of Post Office Workers, with 125,000 members, mainly on the postal side.

Mr. Tom Jackson, the union's general secretary, feels that a separation of posts and telecommunications would mark the prelude to a run-in-down of posts.

obstacles surprise in company profits

Riddell, Correspondent

social position of the sector deteriorated in the first quarter of this year, contrary to general expectations of improvement.

Central Statistical Office yesterday that industrial companies' annual deficit of £525m in the first quarter of 1977 — a large as in the whole year.

shows the undistributed profits after financing stock on, any physical in stocks and capital, and is a major cause of the financial health of the companies.

Third and fourth quarter deficits were £220m, respectively, for 1976 as a whole. In the deficit was in a 200m, increase in the stock appreciation largely explained by a rise in the amount re-financed in an increase in stocks and work-in-progress.

may have been expected to have considerable involuntary liquidation in the first quarter of an unexpectedly smaller amount of demand from the second quarter onwards, coupled with a recovery in profits, all in an improvement in the company sector's financial position this year.

er, it is slightly worrying more at present, that remain in financial difficulties before demand in the picks up and large sums are made for investment.

Oil activity in North Sea 'reaches a record level'

BY RAY DAFTER, ENERGY CORRESPONDENT

OFFSHORE exploration and construction equipment being operated in the North Sea has reached record levels according to a report on offshore oil activity.

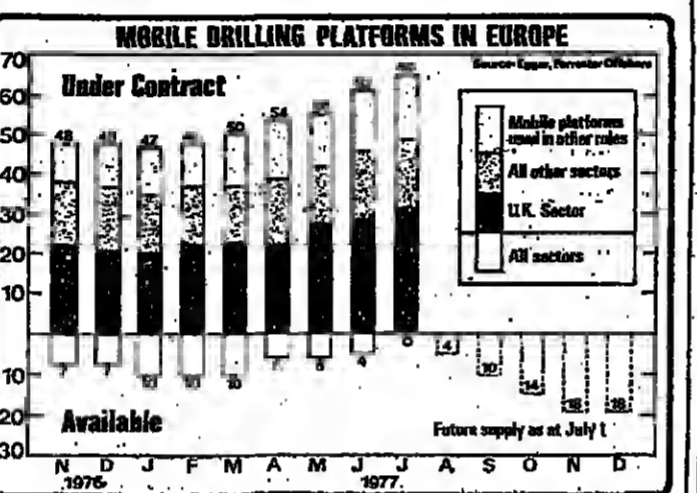
Eggar, Forrester, says in its offshore bulletin that it doubts whether there are any mobile drilling platforms lying idle in Europe. Earlier this month, 63 rigs were in operation.

There were two main reasons why rig operators should be encouraged. Oil companies were increasingly using rigs in a support role for platform construction projects.

And offshore operators were willing to sign long-term drilling contracts. Four major oil companies recently agreed to hire rigs for more than a year.

It was expected that an oversupply of rigs would begin again in the autumn. Rates remained fairly steady — still below \$20,000 a day, but were expected to rise and be maintained through the winter.

The North Sea was "approaching a position as operational centre of the world offshore industry." The quickening pace of activity was partly due to Government pressure on oil companies and good weather conditions.



MOBILE DRILLING PLATFORMS IN EUROPE. Under Contract. Available. 1976. 1977.

platforms in the North Sea, and fire-fighting vessels. There had been a fall in demand for standard supply barges, however, caused mainly by operators completing construction programmes ahead of schedule as a result of calm weather conditions.

By A. H. Harman

THE "SPECIAL CASE" procedure in arbitrations, and matters causing concern about difficulty in obtaining early bearings before the overloaded Commercial Court will be considered by a committee which meets for the first time next week.

The Commercial Court Committee will be chaired by the judge in charge of the Commercial List, at present Sir Michael Kerr. Its secretary is Mr. J. L. Powell, of the Lord Chancellor's Office.

All the judges of the Commercial Court, representatives of the Bar, solicitors, banking, shipping, insurance and other City interests, will sit on the committee. Franco Bertolini will join it as international representative.

The committee was established by the judges of the Commercial Court to improve services by direct liaison with those using it, and to make recommendations to the Lord Chancellor when necessary.

The "special case" procedure is included in the terms of reference as an afterthought but probably the hottest potato to handle.

A MANUFACTURING company, which consistently fails to make adequate investment in technology, risks falling behind its competitors and eventually disappearing altogether. It is graphically illustrated in a new business study International Manufacturing Performance and the Role of Technology, published today by the Business Publishing Division of the Financial Times.

outlook with Pe

longer-term comparison of figures show a decrease in gross trading during the last six months.

Trading profits rose by £5.7bn. between the six-month periods, and from the production of oil from the North Sea for nearly one-third of the stock appreciation.

URT bars executive in post

ORDER executive Paul Harris was barred from taking up his new job with Great Stores until the Appeal Court has ruled on a legal dispute between him and his ex-Littlewoods.

land air lic grows

Abertown Correspondent

Expert tells of plans to stop oil disasters

A HAZARD expert told the Shell/Esso public inquiry at Dunfermline yesterday that concern with remote possibilities of major pipeline disasters was justified.

Dr. Leslie Streetfield, who carried out an independent study of Shell/Esso's proposed 400m. petrochemical development at Mossmorran and Braefoot Bay, Fife, said: "It can be shown time and time again that from such disasters as Fitzburgh, the root cause is failure to identify the full range of hazards inherent in the operation and to safeguard against them."

At Shell's natural gas liquid plant at Mossmorran, Cowdenhead, the consequences of a rupture of the NGL feed line would be extremely serious.

"On the NGL pipeline, the major problem is third party interference which accounts for 30 per cent of accidents in a view of the large potential hazard we recommend that the pipeline should be covered to a depth of five feet."

Special case procedure faces probe

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Garages face tough line on Green Shield stamps

FINANCIAL TIMES REPORTER

GARAGES WILL no longer be able to offer a choice of money although displaying the Green Shield stamps. Many motorists have held Green Shield response to this practice, which is illegal under the Trade Descriptions Act, said the company.

The "fair deal," which is to be backed by a Press radio and television advertising campaign, would "clearly identify the company said last night, by stamp-giving garage and remove stamp discounts, price discounts, the total confusion which car and indented prices."

Boom in electrical goods is forecast

BY MAX WILKINSON

A SUBSTANTIAL improvement in the U.K. market for electrical goods at the end of this year and the beginning of next year, according to a report published today by Economic Modelling.

New concept for measuring productivity

A MANUFACTURING company, which consistently fails to make adequate investment in technology, risks falling behind its competitors and eventually disappearing altogether. It is graphically illustrated in a new business study International Manufacturing Performance and the Role of Technology, published today by the Business Publishing Division of the Financial Times.

Covering the ten major economies in OECD, the study is set out in the context of international industry sectors. Using a wide statistical basis, a new concept for measuring productivity based on added value is introduced.

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CJA PENSIONS ADMINISTRATOR-DESIGNATE £6,000-£7,250 INTERNATIONAL MANUFACTURING AND MARKETING ORGANISATION U.K. T/O £100 MILLION +

BANKING, INSURANCE AND LEGAL APPOINTMENTS

International Branch Manager Bahrain Major money market bank headquartered in New York City seeks an experienced operations manager for a new branch soon to be opened in Bahrain.

Young Lawyer Drilling contracts £11,000 Important multi-national group providing a wide range of services to the oil industry seeks an ambitious young qualified lawyer to advise on and play an active part in preparing tenders for negotiating, interpreting and implementing large oil drilling contracts.

Bank Hapoalim B.M. Due to expansion of activities, Bank Hapoalim requires the following staff for its West End branch. Senior Clerks Should have several years experience and good knowledge of either commercial work (Letters of Credit, Bills for Collection, etc.) or Securities.

UNIVERSITY APPOINTMENTS UNIVERSITY OF THE WEST INDIES-BARBADOS Applications are invited for a new post of LECTURER/ASSISTANT LECTURER IN ECONOMICS tenable from 1977/78.

INSURANCE INTERNATIONALIST ... oriented to property/casualty We're a multi-billion-dollar financial services company... headquartered in the Eastern United States.

COMPANY NOTICES EUROPEAN DEPOSITORY RECEIPTS ISSUED BY MORGAN GUARANTY TRUST CO OF NEW YORK REPRESENTING SHARES OF KUBOTA LTD

LEGAL NOTICES No. 602258 of 1977 In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of A. T. BRANCO LIMITED and in the Matter of The Companies Act, 1968.

LEGAL NOTICES No. 602258 of 1977 In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of A. T. BRANCO LIMITED and in the Matter of The Companies Act, 1968.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

OFFICE EQUIPMENT

Time to get rid of carbon paper

FOR AS long as there have been copying machines, claims have been made that traditional methods of producing multiple copies in an office—carbons and sluses—were completely obsolete. Now however the Engineering Industry Training Board has carried out a protracted study of the alternatives and has come up with the answer that many offices could dispense with the use of carbon paper for good. The parameters of the study are important. O & M Systems Department of the EITB looked at the amendment time for single page typed document consisting of an original with four copies and allowing for an average of three mistakes per letter. To amend the five documents with chalk correcting paper including loading/unloading etc took four minutes and 37 seconds. The same handling and correction for a single original took 56 seconds. To copy on a 20 per cent copier to Gexvaf from Agfa (Gevsert) would take roughly four seconds per sheet. By correcting only one sheet rather than five, EITB estimated that total document preparation time, including typing, during a sample seven-month period would have amounted to 4,641 man-hours against 5,852. This is equivalent to a 20 per cent productivity increase for the typing centre in which the tests were carried out. But one typist was leaving and the centre was able to continue with six staff instead.

CONSTRUCTION

Scaffolding put up fast

A STUDY of system scaffolding, which recently involved a large local authority housing project by Fairclough Building, has demonstrated very clearly that it can provide a saving in component inventory of anything between 30 per cent and 50 per cent below what would be needed if traditional scaffold tube fittings were used. For the particular test (as part of an ongoing study), Fairclough hired in Haki scaffolding for the job to construct 60 two- and three-storey dwellings. The entire work was carried out by two erectors, both inexperienced. Some 213 linear metres of access scaffolding, 10 metres to platform and 154 metres, with six metres to platform, were provided on rather complex shapes with about 3,000 components, or well under half what would have been needed with traditional units. It was noted that because ledger beams and standards attach directly to each other in the Haki system, there are comparatively few small items to be mislaid, contrary to what is often experienced with conventional units. Further from Haki scaffolding for the job to construct 60 two- and three-storey dwellings, the entire work was carried out by two erectors, both inexperienced. Some 213 linear metres of

PHOTOGRAPHY

Makes a better picture

AFTER AN absence of about five years, Philips is re-entering the photographic electronic equipment market via the launch of 12 new products, catering for all levels from the snapshot-taker to the professional photographer. There are seven battery operated electronic flashguns, four for the lower end of the market and three for the serious amateur. These range from a simple basic unit to a high output flash with automatic exposure control which sets the light output. The top of the range will produce up to 1,200 flashes from one set of batteries. For the home movie maker a lightweight photo-lamp 1,000 watt lamp has been developed, which can be camera mounted or hand held. Underwater photography is catered for with an electronic flash light which can be used at a maximum depth of 120 metres. A semi-automatic and a fully automatic timer, together with a colour analyser for processing colour negatives, have been introduced for the home processor wishing to make his own colour prints. More from Philips Electrical, 420 Main Road, Croydon, Surrey (01-889 2186).

HANDLING

Transfers poisons safely

MADE BY Solserv Inc. in the U.S., a system for the safe transfer of liquid pesticide concentrate is now being marketed in the U.K. Using a vacuum, the concentrate is transferred from a container (of 1 to 55 gallon capacity) to a measuring cylinder, and thence to the spray tank. The system includes a wettable powder tank for handling dry materials. The transfer and storage of dangerous materials, and the washing and rinsing of empty containers, can all be carried out without exposing the operator to the pesticide. Marketing in the U.K. is by Horstine Farmery, North Newbold, York, YO4 3SP (06965 331), a Union Carbide subsidiary. Inver Selva, a quick-setting broad spectrum insecticide, is stated to be completely safe on a wide range of crops, leaving no accumulation of toxic residues, taint, or "off" flavours. It can be mixed with other commonly used insecticides and fungicides, and can be used as a thinning agent for apples, and is said to have special potential in potato farming. More from the maker at 8 Grayton Street, London W1A 0LR (01-629 9100).

COMPRESSORS

Less noise from the unit

LATEST IN the range of air compressors produced by Ingersoll-Rand are the Centac II models. These centrifugal compressors produce oil-free air, and are available with capacities from 1750 to 4400 cfm/min. Motor, compressor, inlet filter and controls are mounted in an enclosure which reduces the sound level at one metre distance to 68 db(A). The machines are intended to produce air for general industrial applications, such as process and instrument air, and to supply a factory air-line for pneumatic power tools. There are four models in the range driven by motors rated from 600 to 915 kW. Each machine has only five rotating parts, on which the company offers a five-year guarantee. Each is supplied as a packaged unit, at the heart of which is a heavy duty V-type-reciprocating air compressor, which is oil free and water cooled. By packaging the whole system in a steel reinforced acoustic enclosure, the operating sound level has been reduced to less than 75 dbA. Installation has been simplified, as no complex foundations are required. Details from Ingersoll-Rand Company, Eswater House, Kingsbridge, London SW1X 7LU (01-584 9070).

COMPONENTS

Challenge to discs

INTENDED as an alternative to drum and disc storage is a 65 kilobit charge coupled (CCD) device, called 'bitalk', developed by Fairchild Camera and Instrument Corporation. The company believes it to be the first CCD device suitable for the bulk memory market, and the one-off price in Britain is about £70. The announcement is important because the potential business involved is considerable — several times the size of the mainframe market according to Fairchild. Designated the CCD 464 the unit is organised as 65K x 1 bit, divided into 10 blocks of 4,096 bits each. Typical data rate is 5 MB/s with average latency of 400 microseconds. The circuit dissipates less than one watt per bit when active, dropping to under one microwatt on standby. Fairchild states that the design was heavily influenced by potential users and that it "meets the requirements of every bulk memory application that has been encountered." More on Posters Bar 5111.

MACHINE TOOLS

Easy programming

THE SINUMERIK Mate-M equipment from Siemens is said to provide most of the operational advantages of computer numerical control for drilling and milling machines, yet still allows the skilled craftsman full control over the metal cutting process. The company considers this to be a significant advantage where there is shop-floor resistance to the introduction of automated n.c. equipment. The control equipment does not have to be supported by a programming department as manual data input facilities are provided for the machine operator, after a brief training period, can program the equipment on the shop floor. Microprocessor-based, the unit covers three axes of movement, and includes linear and circular interpolation for straight line and continuous path traverse, provision for 99 lead-screw error compensations, and input and output resolution of 0.01mm. There is provision for connecting a cassette tape recorder for data storage, and the unit can be programmed to carry out a sequence of 230 operations. Details from Siemens, Great West Road, Brentford, Middx., TW5 9DG (01-588 9133).

RESEARCH

Determines carbon content

WITHIN A few minutes of pouring a sample of molten iron, the carbon and carbon equivalent content (for phosphorus and silicon) can be determined with an apparatus jointly developed by Foster Cambridge (a George Kent Group company), and Land Pyrometers. The system comprises a disposable sampling cup connected to a chart recorder. The cup consists of a small cylindrical measure, the temperature at the sample cools. When molten iron cools there are two points at which the fall in temperature is temporarily arrested, known as the liquidus and solidus values. These are directly related to the carbon, phosphorus and silicon content. When the cooling trace is complete, controls on the calculator unit are used to bring the recorder's pointer in line with the solidus and liquidus levels. Percentage carbon equivalent and carbon content values are displayed digitally at the touch of a switch. The result is stated to be accurate to two decimal places for the carbon.

RESEARCH

Die casting machine standards

DRAFT PROPOSALS for die casting machine standards have been prepared by a group representing the British Non-Ferrous (BNF) metals technology centre, most of the European machine makers, the Zinc Alloy Die Casting Association, the Light Metal Founders Association, the Die Casting Society, and the Zinc Development Association (ZDA). The draft standard covers the information to be given to the purchaser on machine characteristics and in particular on the injection performance. Machines are divided into eight groups for which there are standard platen configurations, so arranged that a die designed for a machine of one group will without modification fit a machine of the next smaller or larger group. Although originally conceived as a British Standard, it was found that parallel work was in progress in Germany, and it is now being produced as ISO standard. The draft standard is also being considered in the U.S. Copies of the draft are available from ZDA, 1 Berkeley Square, London W1X 6AJ (01-499 8636).

RESEARCH

Contractors reviewed

BASED on data filed at the Company Registration Offices in London and Edinburgh, Jordan Datasheet has produced financial surveys covering 12 electrical contracting industries. There are two volumes, one dealing with some 288 companies in the south of England and the other covering 256 firms in the North. Data is customary to the Jordan surveys is provided: listing is in descending turnover order and



COMPUTING

Electronic checkout decision

SEVENTY supermarket chains belonging to the F. J. Walks organisation are to be equipped with Dacap Series 823 point of sale terminals of which 110 have been ordered from Transaction Data Systems. They are to operate on stand-alone terms for the time being and each is to be equipped with five or six department totals and several media keys to process cash, coupon and cheque totals. There are also a number of security arrangements, which naturally are not being disclosed. Options are available to upgrade the units into a system which would, for example, aid in the control of such things as cashier scheduling and productivity, as well as stock and cash movements. They also operate on a comparable Dacap system. More than Transaction Data at Dawlish EX7 0NH. 0628 869683.

PROCESSING

Vibrating sieve

A VIBRATING sieve which vents clogging when paints and similar liquids are filtered during manufacture now available from R. S. S. and Sons, Pool Road, Molesey, Surrey, (01-941 13. Made in the Republic of Ireland by Bjurman, the measures 15 by 16 by 6 in. and weighs 5 lb. It is controlled by a tank outlet, powered by a 1-hp motor. The unit speeds filtrate vibrating the filter screen shaking the accumulated particles to the bottom of the filter. Mesh sizes from 40 to 300 are available. The unit is easy to clean and enables faster change colour to be made than with conventional filters.

RESEARCH

Contractors reviewed

BASED on data filed at the Company Registration Offices in London and Edinburgh, Jordan Datasheet has produced financial surveys covering 12 electrical contracting industries. There are two volumes, one dealing with some 288 companies in the south of England and the other covering 256 firms in the North. Data is customary to the Jordan surveys is provided: listing is in descending turnover order and

NOTICE OF REDEMPTION

OWENS-CORNING FIBERGLAS FINANCE N.V.

(now Owens-Corning Fiberglass Corporation)

6% Guaranteed Sinking Fund Debentures due August 1, 1986

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of August 1, 1971, as supplemented, providing for the above Debentures, \$2,000,000 principal amount of said Debentures bearing the following numbers have been selected for redemption on August 1, 1977, (\$1,000,000 principal amount through operation of the mandatory Sinking Fund and \$1,000,000 principal amount through operation of the optional Sinking Fund), at the redemption price of 100 of the principal amount thereof, together with the accrued interest to said date:

Table with columns for Debenture numbers (e.g., 26-18, 15-17, 13-12) and Principal amounts (e.g., 10000, 10000, 10000).

On August 1, 1977, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid upon presentation and surrender thereof with all coupons pertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N.Y. 10015 or (b) subject to any laws or regulations applicable thereto in the country of any of the following offices: at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, Luxembourg, London, Paris, Zurich or at the main offices of Bank Mees & Hopp NV in Amsterdam, Kredietbank S.A. Luxembourg, in Luxembourg, and Banca Vivollari & C. S.p.A. in Milan. Payments of the Debentures referred to in (b) above will be by check drawn on a bank in New York City or by a transfer to a dollar account maintained by the issuer with a bank in New York City.

Coupons due August 1, 1977 should be detached and collected in the usual manner. On and after August 1, 1977 interest shall accrue on the Debentures herein designated for redemption.

OWENS-CORNING FIBERGLAS CORPORATION

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

Table with columns for Debenture numbers (e.g., M-301, 925, 1025, 1128) and Principal amounts (e.g., 1100, 1128, 5450, 6100, 8205, 8236, 13083, 14058, 9900).

ITALIMPIANTI

societa italiana impianti p. a.

Head Office and General Management: Piazza Piccola 9 16121 GENOVA

Table with 3 columns: Financial item (NET PROFIT, TOTAL BILLING, ORDER PORTFOLIO, WORK FORCE), and values (3.9, 176.5, 246.9, 1,588).

ITALIMPIANTI is a company specialising in plant engineering; the design and construction of industrial components and systems consisting of two or more units, each of which requires the services of specialists in a given technology. ITALIMPIANTI carries through design work from start to finish, from outline process studies to definition of the minutest constructional details. It accepts responsibility for choices and decisions relating to the technologies that will ensure that plants meet the required standards of operation. It also arranges for the supply and erection of the plant that it has designed and for its commissioning. The complexity of the tasks tackled and the work carried out by ITALIMPIANTI reflects the highly sophisticated technological and industrial standards that it has achieved. The company is constantly gaining ground in markets both inside and outside Italy. ITALIMPIANTI is firmly committed to taking every step to meet changing market needs, including the formulation of marketing strategies, the establishment of new development centres (companies with joint public and private capital, its own companies, subsidiaries), planning of new forms of trading the company's products for the resources of client countries and, finally, by efforts to diversify production in the light of knowledge and experience acquired through its past work. ITALIMPIANTI plays an active role in many industrial sectors: iron and steel, non-ferrous metals, ecological projects, cement works, desalination, energy, food products, shipyards, the car industry and mining. The company's versatility is justified by the fact that it is a member of a Group covering many sectors: IRI-Finsider, whose other members include companies and bodies operating in every field, from iron and steel to electronics, from engineering to the service sector, from shipbuilding to agriculture.

COMPONENTS

Challenge to discs

INTENDED as an alternative to drum and disc storage is a 65 kilobit charge coupled (CCD) device, called 'bitalk', developed by Fairchild Camera and Instrument Corporation. The company believes it to be the first CCD device suitable for the bulk memory market, and the one-off price in Britain is about £70. The announcement is important because the potential business involved is considerable — several times the size of the mainframe market according to Fairchild. Designated the CCD 464 the unit is organised as 65K x 1 bit, divided into 10 blocks of 4,096 bits each. Typical data rate is 5 MB/s with average latency of 400 microseconds. The circuit dissipates less than one watt per bit when active, dropping to under one microwatt on standby. Fairchild states that the design was heavily influenced by potential users and that it "meets the requirements of every bulk memory application that has been encountered." More on Posters Bar 5111.

COMPONENTS

Long life air filter

DESIGNED to meet the conditions experienced downstream from screw and rotary vane compressors, a compressed air filter has been introduced by Delteco Engineering. Efficiency claimed for the filter is 99.99 per cent. For 0.3 micron particles, and the element is said to give a year's service. A Delteco feature, the progressive colour change indicating saturation of the filter, is incorporated in the new units. Five sizes are initially available, up to a maximum flow capacity of 250 cfm. Models handling flows up to 1200 cfm. are to be introduced soon. More from the maker at Altham Drive, Sharnbrook, Woking, Surrey (04882 64125).

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HOME NEWS

Fisons to pay Syntex £2.9m. compensation

By DAVID FISHLICK, SCIENCE EDITOR
FISON'S IS to pay the U.S. pharmaceutical group Syntex £2.9m. compensation for breaking off its marketing of the asthma drug Intal.

Forklift industry restructuring 'of little value'

By KENNETH GOODING, INDUSTRIAL CORRESPONDENT
THE RESTRUCTURING of Britain's forklift truck industry prompted by the industrial strategy programme may prove of little value and will certainly bring some big problems for the companies involved, it was suggested yesterday.

Stiffer company law urged for directors

By MARGARET REID
THE DUTIES and responsibilities of company directors should be spelled out more clearly by law, and those convicted of breaching the Companies Act should be liable to substantial penalties and to disqualification from holding office, accountants say.



Mr. Denis Healey, Chancellor (left), Lord Watkinson, president of the CBI, and Mr. Hugh Scanlon, chairman of the TUC's economic committee and president of the Amalgamated Union of Engineering Workers, at yesterday's Industrial Strategy Conference.

Sharp downturn in Government borrowing aided by BP sales

By MICHAEL BLANDEN

THE central Government borrowing requirement dropped sharply last month after the exceptional increases in the previous two months.

The figure was reduced by the impact of the sale of British Petroleum shares and by British National Oil Corporation foreign borrowing, as well as by changes in the pattern of some payments.

The borrowing requirement for June is provisionally estimated at £26m, compared with £1,170m in the same month of last year. As a result, after running well up for two months, the requirement for the first three months of the financial year is put at £1,830m, against £2,210m last year.

ICI plans solvent plant on Mersey

By Kevin Done, Chemicals Correspondent

THE BOARD of Imperial Chemical Industries has sanctioned plans to build a £27m. solvent plant at Runcorn, Merseyside.

Confidence

The present plants are working at about 90 per cent capacity and the decision to go ahead with this investment suggests confidence in the recovery of the U.K. engineering industry—the major customer for the solvent.

CONSOLIDATED FUND AND NATIONAL LOANS

Table with columns: April 1-June 30 1976, 1977, Change, Budget forecast 1977-78. Rows include Consolidated fund Revenue, Expenditure, Deficit net from NLF, Other NLF transactions, Receipts, Payments, Net borrowing, Other funds and accounts, Central Government borrowing requirement.

elements, however, the figures still show a drop in the borrowing requirement. Expenditure from the consolidated fund in June was down by £50m, or 10 per cent, compared with a year earlier.

Westinghouse loses plea over uranium evidence

By DAVID FISHLICK, SCIENCE EDITOR

WESTINGHOUSE ELECTRIC has been bailed again, in its efforts to oblige Rio Tinto-Zinc to give evidence in connection with the legal action between Westinghouse and U.S. electricity utilities over \$2.9m. worth of uranium supplies.

Westinghouse lost a three-day appeal against RTZ's claim of privilege under the Fifth Amendment—a U.S. legal device to avoid self-incrimination.

In the Court of Appeal yesterday Lord Denning, Master of the Rolls, awarded costs to RTZ and refused Westinghouse the right of appeal to the House of Lords.

Brewers sound warning

By KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE brewing industry's return on capital is well below that for industry in general, and any further reduction would put investment plans totalling £1.5bn. over the next three years at risk, the Brewers Society has told the

LABOUR NEWS

Booth set to take first Press charter road steps

By ALAN PIKE, LABOUR STAFF

DEPARTMENT of Employment ministers are to start immediate consultations with interested parties as the first step towards preparing a charter on Press freedom now that the Royal Commission on the Press has reported.

Mr. Albert Booth, Employment Secretary, is to produce a charter in view of the failure of the newspaper industry to agree on its own voluntary document.

The discussions will start before the Parliamentary recess and ministers hope that they will have reached an advanced stage by the autumn.

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Wages must match inflation—NUR chief

By OUR LABOUR STAFF

WAGE INCREASES after Phase Two expires at the end of this month must not be less than the inflation rate, Mr. David Bowman, president of the National Union of Railwaymen, said at the opening of the union's conference in Ayr yesterday.

Leyland lays off 2,000 as 12 strikers stay out

By ARTHUR SMITH, MIDLANDS CORRESPONDENT

LEYLAND CARS last night laid off 2,000 production workers at the Solihull plant, where a strike by 12 men has halted output of the Rover 3500 for two weeks.

The men, who fit small machine tools, are demanding earnings comparable with those of other toolmakers. The 12 are not due to meet again until Thursday.

Until now the company has found alternative employment for 1,900 assembly workers at Solihull, at Castle Bromwich, which makes bodies for the Rover, some 1,000 employees have been idle for two weeks.

Postwoman wins ruling in seniority struggle

By OUR LABOUR STAFF

POSTWOMAN Mrs. Letitia Steel, 53, yesterday won the latest round of her battle to end what she claims is sex discrimination in the Post Office.

New pension scheme adv

By ERIC SHORT

A BOOKLET designed to help trade union officials in negotiating pensions improvements and participating in the management of occupational pension schemes has been published by the Workers' Educational Trust.

The booklet provides a checklist of points to look for in any documentation provided by employers. It sets out the maximum benefits that can be negotiated within the constraints imposed by the Inland Revenue in relation to eligibility, retirement age, pensionable earnings and contributions. The factors relevant to designing a good pensions scheme are discussed.

ICL white collar men submit pay claim

By Nick Garnett, Labour Staff

A WAGE CLAIM involving Phase Two payments, a b scheme and a further award linked to rises in cost of living was submitted yesterday for 5,000 white-collar workers at International Computers.

The package is designed meet specific conditions ICL but is likely to set pattern for further claims where by Clive Jenkins, President of Scientific, Technical and Managerial Staffs, of the unions involved in ICL negotiations.

The claim is a joint by TASS, the engine union's white collar section, the clerical section of the Transport General Workers' Union, APEX and ACTSS, the side of the Transport General Workers' Union.

Bonus scheme

If the bonus scheme increases it would mean about £300 a year for the past two years for dual employees. The argument that the pay plan has been a success is being rejected by the union.

In the third part of the union's demand to bring wages in line with the cost of living, it is currently about 17 per cent but are prepared to part of the bonus payments within it. I of the claim should be met as soon as possible.

Knitwear and condition claim lodge

By Our Labour Staff
THE ANNUAL pay claims for 70,000 and knitwear workers in Wales has been to the employers' industry's national joint claim seeks to ensure that wages are paid even for part of a guarantee of a full year for each week three year.

It also includes a 6 paid holiday for 12 months of work less hours a week and for if an employer cannot work immediately by after a holiday, employees receive full wages on the day of return.

Royal Coll now a unic

By Our Labour Staff
THE Royal College of and the British Dental trade unions to recent categories of independent Employment Practices Committee have issued to 255 unions with 29 applications to further 30 are under consideration.

NEWS ANALYSIS—DIESEL ENGINES

Attractive takeover field

By TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

HAWKER SIDDELEY, which said yesterday, it was talking on possible offer for the Gardner diesel engine company, is not the first big company to cast an eye on this Manchester group.

The diesel engine sector is attractive to any diversifying business at the moment. The market is growing, particularly overseas, and will be buoyant for several years yet because diesel use is expanding at the expense of petrol. But the only way into this area is by acquisition.

much money to spend after nationalisation of its aerospace business, and Gardner is making healthy profits—£1.6m last year on a turnover of £17.6m—which show no signs of drying up.

Perkins is the other big U.K. company operating in the same field, but making a less powerful range of engines, below 200 horsepower, and has much greater capacity, to about 270,000 units a year.

Rolls' role

Both the craft nature of Gardner's and its dated technology make it a limited platform to build on.

Rolls' role

Both the craft nature of Gardner's and its dated technology make it a limited platform to build on.

Company refused to talk, says APEX QC

The North London... The five decided to approach a union, and on August 23, there was a walk-out.

They were joined outside the factory by Mrs. Jayaben Desai when she was dismissed following a row with a supervisor.

Mr. Shields was critical of a ballot organised by Grunwick's employees still with them.

But the ballot did not take account of those on the picket line outside, he added.

Mr. Shields went on to say that before the company's ballot there was a serious pressure by the management, from Mr. Ward in particular.

Mrs. Jayaben Desai, of Wembley, said she started at Grunwick in 1974 and worked mostly in the mail department.

BUSINESS AND INVESTMENT OPPORTUNITIES

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ISAL of the Advisory, its report, 'Now talk, you have and Arbitration played about long enough.

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Financial Times, 10, Cannon Street, EC4A 3DF

PARLIAMENT and POLITICS

Grunwick violence by small minority—Rees

BY IVOR OWEN, PARLIAMENTARY STAFF

DEMANDS BY Opposition leaders for Government intervention to secure the suspension of official picketing outside the Grunwick factory while proceedings concerning the dispute are in progress before the High Court and the Scarman tribunal were rejected by Mr. Merlyn Rees, Home Secretary, in the Commons yesterday.

He firmly dissociated the Government and the Labour Party from the violence which resulted in 18 police officers being injured outside the factory yesterday but argued that those responsible were "a small minority" not connected with APEX, the union primarily concerned, or the TUC.

To call off the small number of APEX pickets would not stop the violence, the Home Secretary maintained, despite shouts of disagreement from the Opposition benches.

"The other people would still go there. It would make no difference. That is the nature of the dispute," Mr. Rees insisted.

A statement by the Home Secretary on the events which resulted in 69 arrests being made was punctuated by shouts of "Disgraceful" from Tory MPs when he reported that 10,000 people were outside Grunwick's Willersden processing plant.

He disclosed that the Commissioner of the Metropolitan Police had informed him that there had been some disorder, though considerably less than on some days in recent weeks. In addition to the injuries sustained by the 18 policemen, it was also known that 12 civilians had been injured.

Mr. Rees drew a sharp distinction between the events outside the factory and the official protest march organised by APEX and the TUC, which he said he had no objection to.

He said that the Police Commissioner had taken part in a march which could give rise to serious



Mr. Whitelaw... wanted picketing called off.

public disorder. The Police Commissioner should be asked to consent to an order under the Public Order Act which would prevent any similar march being staged for a period of up to a maximum of three months.

Mr. Rees repeated that all the information he had was that the march had been perfectly peaceful. "I hope nobody would want to stop that," he said.

What did concern him was the numbers actually around the Grunwick gates, but that was a different matter.

Mr. Reg. Prentice (Lab., Newham NE) agreed that people had an absolute right to take part in a peaceful demonstration but appealed to the Home Secretary to reconsider his attitude in the case of the Grunwick dispute because of the fact that a court of inquiry was sitting.

It was clear that in present circumstances a demonstration would result in violence with policemen and others being hurt.

After again stressing that the march had been peaceful, Mr. Rees pointed out that in organising it APEX and the TUC had been in consultation with the Police Commissioner. The Home Secretary added: "Never once has the Commissioner hinted to me that, as far as the march is concerned, he wanted it stopped."

Mr. Emily Hoeson (L., Moutsonery) contended that violence was inevitable with 10,000 people gathered in the narrow streets around the Grunwick premises.

"Is there any purpose at this stage of the proceedings other than intimidation?" he asked, amid Opposition cheers.

Mr. Hoeson suggested that the time had come to change the law to prevent this kind of situation arising.

The Home Secretary replied that the number allowed to assemble outside the Grunwick premises was a matter for the Police Commissioner. "I support him fully," he declared.

peacefully and had bed the effect of substantially diminishing the number of people outside the Grunwick factory.

Tory MPs roared their approval when Sir Keith Joseph, Conservative industry spokesman, intervened in the exchanges to underline an earlier suggestion by Mr. William Whitelaw, the deputy Opposition leader, that the Government should appeal for official picketing outside the Grunwick factory to be called off while proceedings were taking place before the High Court and the Scarman tribunal.

Mr. Rees replied that the small minority responsible for the violence would not listen to an appeal from him, Mr. Whitelaw or Sir Keith.

Sir Derek Walker-Smith (C., Hertfordshire E.) argued that any repetition of the protest march could give rise to serious

industries concerned, he added.

Mr. Hucksfield stressed: "Though it is not practical for Ministers in this Department to consider every single order, which would in any case not be consistent with our policy of leaving such matters to the commercial judgment of the management, we do want to ensure that British manufacturers in every way get a fair chance, and continuing interest in this."

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Leyland orders scheme explained

MR. LESLIE HUCKFIELD, Under-Secretary for Industry, yesterday met representatives of the Gangs and the National Association of Master Patternmakers, the Federation of Engineering Design Companies, and the Association of Patternmakers and Allied Craftsmen.

The delegation stressed the need for close consultation with the major motor vehicles manufacturers to plan ahead in terms of investment and employment.

Mr. Hucksfield said that the problems which faced ancillary industries were recognised and he referred to a survey, under the auspices of the Machine Tools EDC, of future requirements for toolroom capacity in the U.K.

While the Department would do what it could to assist, he said, responsibility for consultation must rest primarily with the

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Uganda exports debate refused

AN ATTEMPT by Mr. Creville Jauner (Lab., Leicester W.), to obtain an emergency debate on the alleged export of trucks and vehicles to the police and armed forces in Uganda, was rejected by the Speaker in the Commons yesterday.

Prices Bill change forced by Tory Peers

THE TOUGHER Price Commission, proposed by the Government, should be subject to annual review by Parliament, the Lords decided yesterday.

The Government was defeated by six votes when Tory peers proposed a new look at the Commission and its continued existence every year after July, 1978. Voting was 75 to 69.

The change was written into the Price Commission Bill at the start of its committee stage in the Upper House.

The Bill, which, three weeks ago, ended 33-hour sittings, extends the life of the Commission and reconstitutes it with stronger powers to investigate prices and profits and to freeze prices in some cases.

For the Tories, the Earl of Mansfield said much of industry and the Opposition had been perturbed by the setting-up of a permanent Price Commission. The Government should not meddle except in certain circumstances which were particularly justified by the public interest.

He said the Commission had been singularly ineffective in holding down inflation and price increases. It should exist only as long as there could be some effective form of price restraint.

Urging rejection of the proposal, Government spokesman, Lord Oram said there was a considerable concentration of industry where competition was mere apparent than real.

The Government needed powers of intervention and regulation. It accepted the need for rationalisation in the long-term between the Price Commission, the Monopolies Commission and the Office of Fair Trading, but this was not possible at the moment.

Supporting the Government, Baroness Seear (L.) said that, under the present arrangements, the Government's powers should be permanent.

The Government narrowly beat off a Tory move to remove the power of the Price Commission to freeze an application for a price increase for four months while the application was being investigated. Voting was 71-69 Government majority two.

Lord Montiel (C.), moving the proposal, said that it was possible that raw materials could double in price during the four-month period and the previous year's profits possibly swept away.

"If the price increase was allowed and found to be unjustified, that should be taken account of in future."

For the Government, Lord Oram said that if Lord Montiel's bid his way, the consumer would be punished. There would be no power to "roll back" any unjustified price increase afterwards.

"The Bill made perfectly adequate provision for the many cases where a freeze would be inappropriate. It is not going to be an automatic and unrelieved freeze."

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The dissenters

Meeting recently in Paris, a group of economists—the Shadow European Economic Policy Committee—took a long look at orthodox economic policy, and came up with their own analyses and advice for finance ministers in Germany, Britain, France and Italy.

Death knells are always being sounded for London's merchant banks, but they live on and prosper. This year's survey by The Banker of the merchant banking scene takes a look at their prospects and at the fortunes of some of the foreign competition—in Europe, the United States, and Australia.

Weathering well

The farmers are feeling parched in California's record-breaking drought. But the economy is in full bloom, set to outpace the rest of America for several years yet.

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Liberals welcome pact scrutiny

BY PHILIP RAWSTORNE

SAFFRON WALDEN has certainly reassured the Liberals. Mr. David Steel, the Liberal leader, nonchalantly opened the Jubilee Daily Foods Festival yesterday just before the Commons was due to debate the Lib-Lab pact.

And when Mr. Charles Morrison, Conservative MP for Devises, rose in the Commons to draw attention to the alliance, Liberal MPs actually laughed in anticipation.

Mr. Ronald Bell, straining to debate the dangerous decline in standards taking place "under the impudent banner of 'peace'", eventually added another to his list.

But Mr. Morrison had already placed the pact firmly among the political sins of the permissive age. The Liberals had concluded their agreement with the Government like Talleyrand with his mistress, he commented. "To avoid the scandal of Birling, she consented immediately."

It was not clear, however,

what he considered to be the Liberal's main vice. Was the cardinal sin their failure to repeal any socialist measures as well as remove them from the future agenda? "They were never on the agenda," shouted Left-winger, Mr. Dennis Skinner, in disquisition.

Was it the fact that the Ten Commandments brought down from St. Ermin's Hotel by the Liberal leader were the copyright of the Conservative Party?

Mr. Morrison suggested ruefully that the tablets could have formed the basis of a Lib-Con pact. They were taken straight from the Right Approach.

Every item was there, said Mr. Morrison, except the reform of the Official Secrets Act. He had inquired about that, and it had been confirmed that it was Tory policy as well.

Mr. Emily Hoeson, Liberal MP for Montgomery, retorted scathingly that he would have made a pact with the Tory

Party if it had contained more moderates like Mr. Morrison. But the Right Approach contained no policies, he said. And even if it had, that was no guarantee that they would ever be carried out.

Remember the Beter Tomorrow in 1974, he recalled. The promised curbs on bureaucracy, public spending and the money supply which had turned into a free rein.

Mr. David French, Liberal MP for Truro, pressed about the achievements of the Heath Government. They had reformed local government, the Health Service and the water services, he pointed out, amid huzzahs.

From the Conservative front bench, Mr. Leon Brittan drew the only possible conclusion from the badinage. "The truth of the matter is this pact will be renewed on any terms, he said. "The decision has already been made. The words will be found for it later."

Defence proposals by Left study group threaten row

BY RUPERT CORNWELL, LOBBY STAFF

IN GREAT EMBARRASSMENT, the Government last night totally repudiated the latest scheme of Labour Party Left-wingers for radical surgery to Britain's defence forces, including the phased withdrawal of the Polaris nuclear submarine deterrent.

Mr. Fred Mulley, Defence Secretary, issued a special statement to dissociate himself from the conclusions of the document drawn up by a high-level study group under the aegis of the party's policy-making national executive committee.

At the same time, two junior Defence Ministers, Dr. John Gilbert—Mr. Mulley's No. 2—and Mr. James Wellbeloved, Under Secretary for the RAF, reluctantly took part in some sessions of the group, disowned its findings, and have submitted their own paper backing the Government's existing policy.

Decisions on the right level of defence spending had to be carefully balanced, Mr. Mulley said, and it would be wrong to bankrupt the country by spending more than could be afforded.

"But it would be absolute folly not to take the measures necessary to protect our way of life."

The Government remains firmly committed to its White Paper policy of earlier this month to make a substantial contribution by land, sea and air to NATO.

Among other recommendations of the report are a halving of the manpower of Britain's Rhine Army, the scrapping of four Royal Navy vessels and an end to both versions of the Tornado multi-role combat aircraft—to achieve the goal of a 28 per cent cut in military expenditure.

The document is expected to go before the full National Executive at the end of this month. If it is approved, even in an amended form, the stage will

probably be set for yet another confrontation between Left and Right in the full public glare of the party conference at Brighton this autumn.

In the meantime, the proposals have drawn a horrified response from the Conservatives. The Opposition already shares the view of Service chiefs that Britain's defence spending is woefully dangerously low and are pledged to exempt it from any public spending cuts introduced by a future Tory Government.

Sir Ian Gilmour, shadow Defence Secretary, last night described the document as "craven". Its suggestions, if implemented, would leave the country "virtually defenceless."

Those who wished to sabotage our defence forces, he said, "are the friends of the East, not of the West." Britain's NATO partners would no longer have any confidence and no one who wished the country to remain within the alliance could support cuts of the scale envisaged.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on July 11, 1977. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (K) Scheduled Territory; (O) official rate; (T) tourist rate; (N.C.) non-converter; (N.A.) not available; (A) approximate; (N.D.) no direct quotation available; (S) sell; (B) buy; (C) convertibility; (P) bank dollar parities and going sterling dollar; (B.K) bankers' rate; (B.S) basic rate; (C.M) convertible rate.

Sharp fluctuations have been seen in the foreign exchange market. Rate table below are set in all cases closing on the dates shown.

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Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling
Algeria (D) Dinar	136.48	Germany (M) Deutsche Mark	2.36	Paraguay (G) Guaranis	1000
Argentina (A) Argentine Peso	167.24	Ghana (C) Cedi	1.20	Peru (N) Nuevos Soles	3.33
Australia (A) Australian \$	1.5281	Gibraltar (G) Gibraltar Dollar	1.00	Philippines (P) Philippine Pesos	48.68
Austria (S) Schilling	13.7603	Greece (D) Drachmas	340.75	Portugal (E) Escudos	200.48
Belgium (B) Franc	36.3633	Guatemala (Q) Quetzales	2.00	Romania (L) Lei	16.6667
Bolivia (B) Boliviano	6.9091	Honduras (H) Lempiras	23.00	Russia (R) Rubles	150.00
Brazil (R) Cruzeiro	270.00	India (R) Rupee	47.55	Saudi Arabia (S) Saudi Riyals	2.00
Bulgaria (L) Lev	10.0000	Indonesia (R) Rupiah	1000.00	Senegal (C) Francs	200.00
Canada (C) Dollar	1.5270	Iran (R) Rial	10.0000	Sierra Leone (L) Leone	100.00
Chad (C) Franc	100.00	Israel (N) Sheqel	3.4833	Singapore (S) Singapore Dollars	1.0000
China (Y) Yuan	150.0000	Italy (L) Lira	1.9360	Sri Lanka (S) Sri Lanka Rupees	100.00
Colombia (C) Peso	1000.00	Japan (Y) Yen	360.00	Taiwan (N) New Taiwan Dollars	100.00
Congo (B) Franc	100.00	Kenya (K) Kenya Shilling	100.00	Thailand (B) Baht	50.0000
Cuba (C) Cuban Peso	24.0000	Korea (W) Won	200.00	Togo (C) Francs	200.00
Cyprus (C) Cyprian £	100.00	Kuwait (K) Kuwaiti Dinar	4.0000	Turkey (L) Lira	16.6667
Czechoslovakia (C) Koruna	100.00	Laos (K) Kip	200.00	Uganda (S) Shillings	100.00
Denmark (D) Danish Krone	6.46	Lebanon (L) Lebanese Lira	150.00	Uganda (N) Shillings	100.00
Dominican Republic (D) Dominican Peso	100.00	Lesotho (L) Basotho Pula	1.0000	United Arab Emirates (U.A.E.) Dirhams	3.6731
Ecuador (C) Dólar	100.00	Liberia (L) Liberian Dollar	1.0000	United Kingdom (U.K.) Pounds	1.0000
Egypt (E) Egyptian Pound	100.00	Madagascar (M) Malagasy Francs	200.00	United States (U.S.) Dollars	1.0000
Finland (F) Markka	5.9457	Mali (M) Franc	200.00	Western Samoa (W) Samoan Tala	100.00
France (F) Franc	100.00	Maldives (M) Rufiyaa	1.0000	Zambia (Z) Kwacha	2.5000
Germany (M) Deutsche Mark	2.36	Mexico (M) Mexican Peso	16.6667		
Ghana (C) Cedi	1.20	Mozambique (M) Metical	200.00		
Gibraltar (G) Gibraltar Dollar	1.00	Nicaragua (C) Cordoba	100.00		
Greece (D) Drachmas	340.75	Nigeria (N) Naira	1.0000		
Guatemala (Q) Quetzales	2.00	North Macedonia (N) Denar	100.00		
Honduras (H) Lempiras	23.00	Paraguay (G) Guaranis	1000		
India (R) Rupee	47.55	Peru (N) Nuevos Soles	3.33		
Indonesia (R) Rupiah	1000.00	Portugal (E) Escudos	200.48		
Iran (R) Rial	10.0000	Romania (L) Lei	16.6667		
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Italy (L) Lira	1.9360	Senegal (C) Francs	200.00		
Japan (Y) Yen	360.00	Sierra Leone (L) Leone	100.00		
Kenya (K) Kenya Shilling	100.00	Singapore (S) Singapore Dollars	1.0000		
Korea (W) Won	200.00	Sri Lanka (S) Sri Lanka Rupees	100.00		
Kuwait (K) Kuwaiti Dinar	4.0000	Taiwan (N) New Taiwan Dollars	100.00		
Laos (K) Kip	200.00	Thailand (B) Baht	50.0000		
Lebanon (L) Lebanese Lira	150.00	Togo (C) Francs	200.00		
Lesotho (L) Basotho Pula	1.0000	Turkey (L) Lira	16.6667		
Liberia (L) Liberian Dollar	1.0000	Uganda (S) Shillings	100.00		
Madagascar (M) Malagasy Francs	200.00	Uganda (N) Shillings	100.00		
Mali (M) Franc	200.00	United Arab Emirates (U.A.E.) Dirhams	3.6731		
Maldives (M) Rufiyaa	1.0000	United Kingdom (U.K.) Pounds	1.0000		
Mexico (M) Mexican Peso	16.6667	United States (U.S.) Dollars	1.0000		
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The Management Page

EDITED BY CHRISTOPHER LORENZ

Some of the most successful French companies are traditionally run. Sue Cameron visits glassmaker Durand et Cie, home of the famous Cristal d'Arques.

A feudal patron par excellence



M. Durand outside his new factory at Arques.

Some of the most successful French companies are traditionally run. Sue Cameron visits glassmaker Durand et Cie, home of the famous Cristal d'Arques.

Until just before the second world war all their glassware was produced by traditional methods and it was not until the late 1930s that they began to introduce automation in a small way.

Further development in this area was suspended by the outbreak of the war, but as it was over M. Durand decided to go over to full automation. Traditional glass blowing was phased out within a few years although this did not result in skilled workers losing their jobs, because of the rapid pace of the company's growth. Most of them were simply retrained and transferred to the new machines.

At the same time as the glassworks were being automated, M. Durand decided to concentrate much of the company's efforts on exports and leave the home market virtually to take care of itself.

Whatever the truth of the matter, the facts are that a number of employees ignored the call for industrial action. As a result the strike quickly collapsed.

As soon as it was over M. Durand held a bloody assizes. All those who had taken an active part in the walk-out—roughly half the total labour force—were identified. And all of them were sacked.

It is said that the town of Arques has never forgotten M. Durand's action. To-day 25 per cent of the company's employees belong to the Communist Confederation Generale du Travail, 22 per cent are in the Confédération Francaise du Travail, a left wing breakaway group from one of the big Roman Catholic unions, and 53 per cent belong to the Durand house union which was formed in 1968 following the riots of that year and various changes in French law. Yet when Jean-Jacques Durand, eldest son of M. Durand, was asked which union the company negotiated with over pay, he replied simply: "We don't."

It seems to be hand, many big French companies operate schemes of this sort for their workers. The Durands have long established, and apparently effective, communication channels with their employees. They have had a works council for years and since 1968 this has included trades union representatives. The company discloses information on such things as monthly sales figures to the labour force and it does so on a regular basis.

Ruined

In addition to this any employee who has a grievance, a query or a personal problem, has the right to go straight to M. Durand and discuss it with him. At any hour of the day or night there is at least one member of the Durand family on duty to deal with any major difficulty that may arise in what ever sphere. This means that in the evening the Durand who is on duty must never be more than an hour's drive from the plant.

The family's influence can be seen in the town of Arques itself. The Durands have operated with the Arques authorities and with a property company to encourage their workers to buy their own houses. The advantage of this from the family's point of view is that they can ensure that all new homes are well designed, attractive and properly landscaped. One reason for this is that the Durands have shown how the nearby, picturesque town of Saint Omer has been ruined by the erection of quite extraordinarily ugly holiday blocks. They are determined that this shall not happen in Arques.

Automation

Many people have put off setting up home until the war was over. Others were anxious to replace the basic household items they had lost and had been unable to buy during the years of austerity. All of them wanted tableware and M. Durand realised that there would be enough business for everyone at home. He also reckoned that his competitors in France would be so busy meeting demand in France that it would be some years before they turned their attention to the possibility of overseas trade. He eventually did so they would find Durand et Cie firmly ensconced in the export market.

This is exactly what happened. The success was made possible by the company's early investment in automation, which enabled Durand to increase output rapidly and to cater for the home and overseas markets simultaneously.

In 1945 Durand et Cie was

Bonuses

"Sometimes we might discuss bonuses with them but basically we tell them what we are going to pay them," he said, adding a little differently in France.

Durand et Cie normally pays its workers according to the rates laid down by the French glass federation, although the company itself is not a member. In a good year employees can expect a little extra.

Despite the apparently high-handed attitude of the Durands towards such things as pay, the

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UP 20 PROJECT

Multi-purpose venture capitalist seeks support of industry

THE VARIOUS initiatives of Reed's International, the venture capital paper, printing and publishing in the U.K., there are a few—perhaps only one—of an initiative 18 months ago by a number of redundant or "seed" capital. So executives who found themselves in a new organization start-ups one of its funded management course at Manchester University.

The aims of Group 20 are ambitious. It wants to harness innovations and inventions and exploit their potential, either in new companies set up for the first time or within established and chief executive ones. To achieve this it wants

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Helpful booklets on wills and the saving which can be made on "Gift Tax", together with an annual report will gladly be sent on request, from your legal or financial advisers. (A simple form of codicil to add to a will is also available). Please write to: Hon. Treasurer, Rt. Hon. Lord Maybray-King, Help the Aged, 100 F.T.I.L., 32 Dover Street, London, W.1A 2AP.

Charitable status hoped for

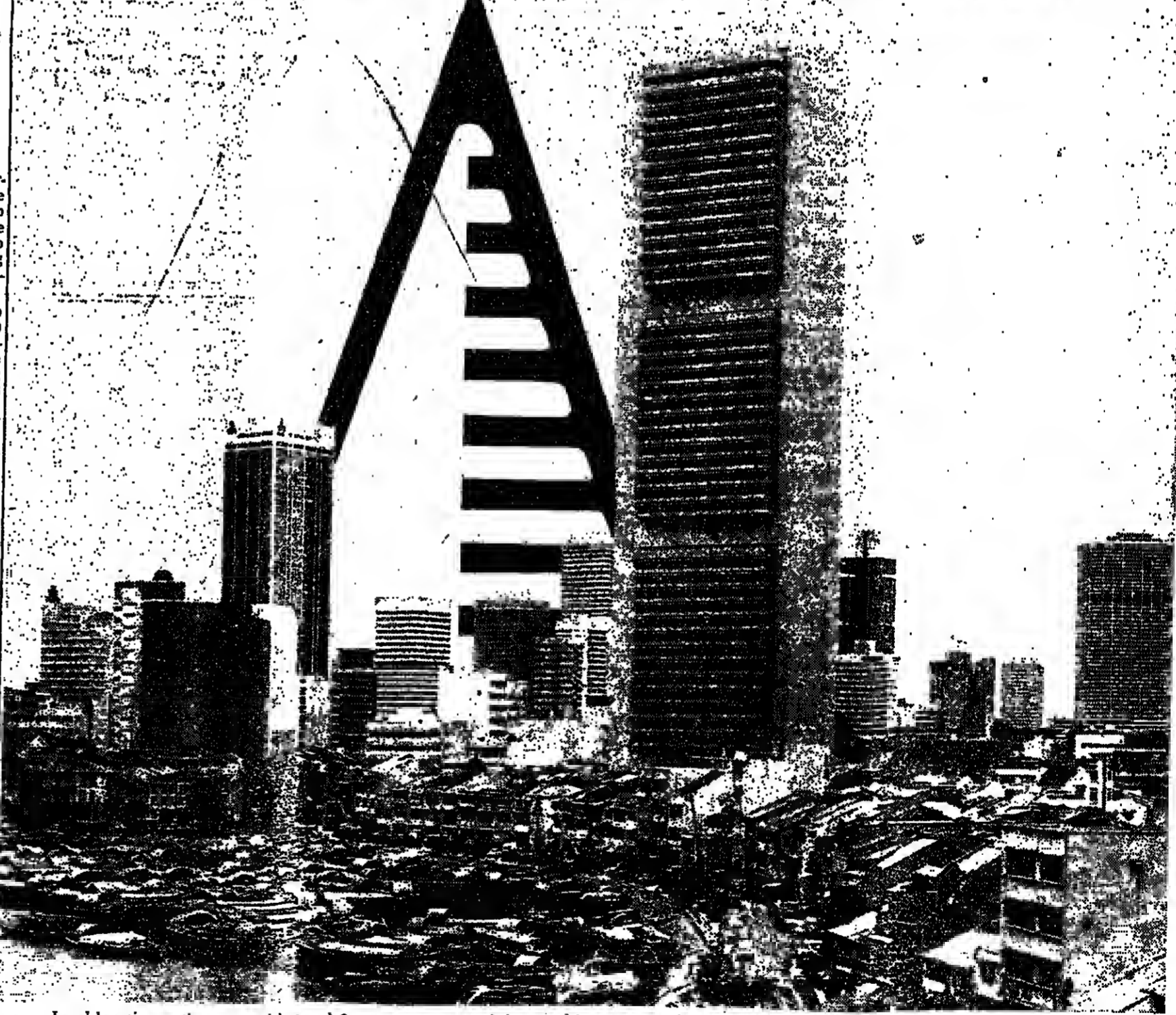
Support from Executive Standby, an organisation specialising in finding short-term projects for retired executives, has been forthcoming (to provide experience in assessing the worth of inventions and other projects) and Charterhouse Developments, the venture capital organisation, is providing advice.

Group 20 is hoping to get financial backing from industry to set up a "seed" capital fund which would be administered by representatives of those companies contributing to Group 20 itself—which, despite some doubts at present, is still hoping to get charitable status so that it can be established as a foundation—and will sponsor projects, carry out the necessary screening processes and help get projects off the ground.

As Mr. Jarratt commented at yesterday's launch, "unemployed executives and unemployed ideas getting together must have a lot going for it."

Nicholas Leslie

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Distant thunder over the German economy

By ADRIAN DICKS in Bonn

Better price outlook

EVEN AT a time when the ostensible basis of the Government's policy for bringing inflation under control seems suddenly to have given way...

In the second place, the tendency for input prices to fall has continued: the fall, which was 1/2 per cent in May, was 1 per cent in June.

Profits trend
These figures have their implications both for the course of profits in manufacturing industry and for the future path of inflation.

Japan clings to the centre

JAPANESE VOTERS had the chance at the week-end to derail the conservative Liberal Democratic Party which has been ruling the country for more than 20 years.

Endorsement
The result is also a personal endorsement for Mr. Fukuda. He took over as head of the LDP and Prime Minister after the party lost its absolute majority in the election to the Lower House in December.



AT A TIME of renewed nervousness in the foreign exchange markets, President Jimmy Carter and his guest, Herr Helmut Schmidt, the West German Chancellor, will turn their attention this week to the question of how major western industrialised countries are going to achieve an average growth rate of 5 per cent...

To judge from the speech made at that meeting by the U.S. Treasury Secretary, Mr. Michael Blumenthal, Herr Schmidt can expect once again to bear a sermon about West Germany's duty to do more for the rest of the world by boosting domestic demand.

In Washington this week, he is likely to adopt a much more guarded position. Bonn has in no sense come round to accepting the more impatient type of criticism to which it has been treated abroad.

Herr Schmidt and his Free Democratic coalition partners—who hold the economics portfolio in the person of Dr. Hans Friderichs—have not come around to that point of view willingly.

Office, has left little grounds for hope that the average level for 1977 can be much below 10. In contrast to official predictions at the beginning of the year, which were endorsed by most independent forecasters, of 850,000-900,000. This target, implying an unemployment rate of just under 4 per cent, has had to be abandoned.

The package of measures to improve mobility, industrial training and retraining, and to provide special measures for problem areas, announced in late May, was a reinforcement to existing programmes aimed at the structural element in unemployment.

No statistical ambiguity

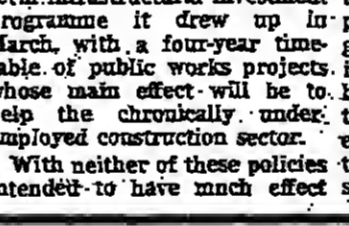
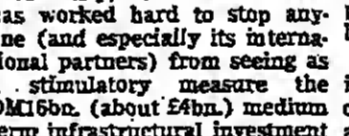
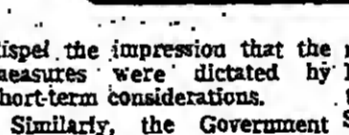
The clinching evidence has, however, come from the unemployment figures, where there is no statistical ambiguity. Figures for June, published last week, showed a drop of just 15,500 from May to 831,000.

On the general level of activity this year, why has the Government begun to change its tune about the need to think of ways in which they might be reinforced during the coming autumn and winter?

On the political level, the main reason must be sought in the increasing restlessness both of the trade unions and of many in Herr Schmidt's Social Democratic Party.

This year has brought wage increases in the range of 6.5-7 per cent, indicating a rise of real incomes for wage-earners of 3-4 per cent.

WEST GERMAN ECONOMIC FACTS



Surge of profits

On the political level, the main reason must be sought in the increasing restlessness both of the trade unions and of many in Herr Schmidt's Social Democratic Party.

A further positive element in the equation, in the view of both the Government and of the Munich and Kiel economic research institutes, is likely to be exports.

In addition to this boost to consumer purchasing power, there are other positive factors, including a 0.9 per cent rise of pensions this month, and the

regular series of meetings between representatives of unions, employers, the Government and the Bundesbank, has recently seen the Central Bank money stock increase by about 8 per cent.

Unquestionably the very success in negotiations this year contributed to the mining of confidence. As a 7-8 per cent in taking in wage drift and social benefits, might be a beleaguered British one it is considered extremely in West Germany, where inflation has been brought to the lowest levels of industrialised countries.

Japanese feelings

One authoritative source puts the combined effect of the Deutsche Mark's climb of the dollar and the fast wages in Germany 1.50 in the U.S. at a net increase in West German costs over American since 1969.

Since the end of 1970, the D-Mark has appreciated some 13.2 per cent against the rest of the currencies.

Indeed there is some detectable here benefits that the dollar slide might bring in exports. While the foreign exchange market balance is causing no concern in Bonn or Frankfurt, it is a reminder to Germans of the fact that the uncertainty weighs on the business climate.

MEN AND MATTERS

Turn Left for Europe

Less than a week after nearly half the Parliamentary Labour Party voted against the European Direct Election Bill a group of pro-European Left wingers calling themselves the Communists for Europe have decided to challenge the Left wing anti-marketisers head on.

High Society clinic

London's newest luxury clinic opened yesterday to the strains of Bing Crosby and Satchmo crooning their way through golden oldies from High Society on the muzak.

Fill in and follow the leaders

Anglaise" however about Royce Diener, the president of American Medical, who explained in a deep, sincere, American voice how he first made contact with the Harley Street clinic seven years ago when he came to London to finalise a sale of Euro-dollar financing.

Nippon Prunier

Maison Prunier in St James's Street has become Restaurant Santury as the result of a quietly negotiated takeover by Japan's largest whisky distiller of what used to be one of London's most famous French restaurants.

Advertisement for EXTEL HANDBOOK OF MARKET LEADERS, featuring a large graphic and contact information for Extel Statistical Services Ltd.

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Battle for hearts and minds at Grunwick

THE GOVERNMENT, the pickets in an adverse light (1 on Congress, the simply record the fact here, and, indeed, the "bourgeois" movement" this was a just series of TV reports, and it took a further blow yesterday when once again on yesterday. It events so unfolded themselves that voters will see the highly emotional sight of leave (and underpaid) policemen taking their knocks while trying to keep the peace.

The "movement" argued that this would happen, and tried to avoid it. From the Prime Minister, through the Home Secretary and the Home Office down to the local strike committee, plans were carefully laid in a strenuous effort to produce a quiet demonstration of "solidarity" which would be made manifest by the orderly assembly of delegations of trade unionists from all parts of the country in a morning session of peaceful picketing to be followed by a mass march through the wastes of Redden and a period of standing ground in the hot sun listening to rousing speeches.



Police arrest a picket outside Grunwick's plant yesterday.

Tactics

For a large part of yesterday morning it looked as if they would succeed. By 6.30 a.m. the pickets were lined up on the pavement on both sides of the street everywhere except immediately outside the gates at Dollis Hill, where the police suited their tactics to the terrain and kept the wide neutral by establishing a Press area.

Shoulder to shoulder, the pickets stood with here and there a lady constable, stood in the kerb with their backs to the chanting crowd, as they were taken delegations of trade unionists (the full divisions possible to take a more relaxed view were kept elsewhere) were allowed to march with their banners. It was the kind of interlude, half-joyous, half-menacing, that one experiences at the rough end of a football stadium.

Many copied the Italian and Portuguese Communist chants as seen on TV: all waved their fists in unison and proclaimed: *The workers United Shall never be defeated*.

A determined believer in the Red conspiracy might note the Marxist splinter-party banners near those who uttered the chant most often and draw a chilling conclusion: if one noticed how young the faces were, and how rare was the thin, pale, unsmiling profile of the true fanatic it might be

emaciated, gave them three long verses of "I am the man The sargol for the workers' beer". Short of producing Mr. Jones and Mr. Scanlon in a bawlers' cock-undulating version of "A Cairo Nightclub," this seemed about as far as the TUC could go in its efforts to keep the peace.

Mr. WELLS' courage is all the more to be commended for his own having been told by Mr. Michael Foot that the only man from whom bricks might be thrown and fire-hoses repulse the rioters, or where the weapons are knives and guns. On both sides, pickets and police, what has actually taken place has so far been less threatening than the rhetoric used to describe it, and especially in what seemed to be

probably only in Britain that unarmed policemen will stand still and keep smiling as the crowds they are seeking to control sing a verse whose punchline is directly and obscenely insulting to the "pigs" around them, following this with "Sieg Heils" and even more provocative catcalls.

The police can, and do, lose their tempers, and it would be foolish to deny that numbers of them probably do so in the metres that break out when the crowd surges forward and threatens to take over one particular strategic point or another. I cannot say whether some of them are deliberately provocative, or too free with arrests: we shall have some evidence about this when the 50 or more complaints now going before the brand new tribunal on complaints about the police have been heard.

These things do matter; what perhaps matters more is to get into clear focus the violence that has occurred so far. This is a British argument involving hot tempers, flying fists, and the occasional missile, such as a milk bottle.

There has been no evidence of an organised use of weapons, or hard projectiles, by the pickets; the police had not yesterday drawn even their short batons. If this is far from the worst that could happen in British terms it is even further from what might happen in cities where bricks are thrown and fire-hoses repulse the rioters, or where the weapons are knives and guns. On both sides, pickets and police, what has actually taken place has so far been less threatening than the rhetoric used to describe it, and especially in what seemed to be

an over-excited House of Commons yesterday afternoon. Yet even when all that is acknowledged, it remains true that both sides are taking bloody heads; the sympathy of most of the public will doubtless be directed particularly at the injured policeman — who are, after all, unarmed and outnumbered. It is at this point that the Government takes fright lest its identification with the "movement" will lead in the minds of too many voters to an identification with the people who wound policemen.

Old weapon

From the Government point of view the worst of it is that yesterday's events followed both the setting up of Lord Justice Scarman's Court of Inquiry and a hard-working attempt by trade union leaders to cool everyone down. Perhaps there will now be a period of relative calm, since yesterday's mass picket and march was arranged as a one-day affair, but even if there is it has already been shown that the old weapon of a court of inquiry no longer works well or quickly as a means of restoring peace.

Depending on what Lord Scarman says, and the response of both the "movement" and its opponents, it could be that further public disturbances will take place outside Grunwick, or elsewhere, simply because of the issues that the name has come to represent. It is as well for everyone to ask, now, the question—"what then?" This is possibly a more urgent question than a reopening of the debate about the law of picketing, or an examination of whether the Advisory Concilia-

tion and Arbitration Service needs reshaping. For "what then?" means—"what degree of force is needed to keep the peace if the unarmed police, aided by pleas from the trade union leaders, fail to do so?"

It is at this point in the argument that the trade unions have the most to fear. In saying this I do not accuse them of all being extremists; on the contrary, what is remarkable about the present dispute is how many middle-of-the-road and conservative trade unionists are rallying to the side of the Grunwick pickets. You could see this down on the line yesterday: only the deliberately blind would insist that everyone there was a Red agitator.

But if there are to be changes in the law, or in police practice, or in public opinion, it is at least as likely that these changes will turn out to be in the direction of a less liberal attitude than that they will meet the anxieties of the TUC. The public is to a broadly conservative mood; the sight of the police wounded in skirmishes with pickets is likely to reinforce that conservatism.

The changes that might get through Parliament if the trend continues and if the obvious political consequences follow, could constitute one step back, to TUC eyes, for trade union "rights"—following the three steps forward taken by Mr. Michael Foot's recent legislation.

This is the danger the "movement" now faces, since the clamour for using the law to "curb trade union power" may now at least equal the clamour that has so far managed to "keep the law out of industrial relations."

Letters to the Editor

ing tions

Director of Shelter.

No doubt, right in one of the early issues which in (July 7) accused "attitudes" about housing need in the one it is the nature of such as overstate our case, and that in another, there are quite over 1m. families in conditions which are sub-standard by of today.

Rennison, we too as a Parliamentary how to cope with ing that is still far

However, a con- on such an inade- in fact, it is as out- veria in the debate housing policy.

Road, S.E.1

Brick is best

From the Secretary of the Brick Development Association.

Sir,—In reading Mr. R. S. Scott's report on the Government's Housing Review (June 29), I was reminded of his lengthy catalogue of failures largely related to modern housing, established a few weeks earlier (June 16). An obvious connection surely, is that if we were not fortunate enough to have a pre-war tradition of sound brick houses capable of adoption and modification, a major part of the Green Paper's strategy—that of capitalising on our existing housing stock—could hardly be viable.

In recognising the economic and social value of the rehabilitation of old houses, there is not a clear implication that to-day we should be building long-life structures of proven durability as an investment for the future?

Joe Rennison in his review of the housing sector in your property supplement (July 7) of service industries, and code of practice can cover everything its virtue would be simplicity yet flexibility.

It would require a few successful examples for it to spread quickly. And if some management and some employees decided not to try, then let them take their chance in the jungle. We may have had a surfeit of controls and policies in the last decade. Why not try what is almost modern? We need influence and control, not necessarily an inflexible national policy.

R. S. Scott

308-309, Preston Road, Hove, Sussex, BN1 3RZ.

Industrial strategy

From the Industrial Director, National Economic Development Office.

Sir,—Mr. Kelvin Cowan's letter (July 4) on the industrial strategy's focus makes a very sensible suggestion, namely, enough to have been taken up 18 months ago. The Sector Working Parties, including the one for industrial trucks, have as their main work programme the increase of the U.K.'s share of overseas markets. They, that is management, unions and Government representatives for each Sector Working Party, review worldwide prospects for their products and recommend policy and other changes which would improve performance. So the Sector Working Parties are, to quote Mr. Cowan, "organised on the commendable concept of world market opportunities." He may not like the title "Industrial Truck Sector Working Party" but it is this disaggregation by manufacturing sectors which allows all concerned to get to the real, detailed issues of market and product.

Bernard Asher

Hillbank Tower, Hillbank, S.W.L.

Impartial inquiry

From Mr. G. H. Newton.

Sir,—The Royal Commission on the Press has now published its report, and one of the points in the current comment is that the Royal Commission was established in the first place with the intention of striking back at Press criticism. The standing of politicians and political appointments is consequently their credibility and authority, has never before reached such an abysmally low ebb. Given these circumstances, it would be unimagined that the utmost care would be taken to see that persons nominated to the membership of these committees would not only be clearly seen to be fair-minded in fact but also free of all affiliations which might create suspicion of bias or prejudice.

I am therefore writing to support the comments of Mr. Best (July 4) with regard to the composition of the Legal Services Commission. Unless the inquiry is impartial and is seen in report of this Commission is likely to end up in the limbo to which most of the others have been consigned.

George H. Newton

2, Weld Road, Birdale, Southport.

Royal Show

From Mr. J. Fairhead.

Sir,—The Financial Times should drop its sick humour in calling the Royal Show a "farmer's beanfeast" (July 4) and look at the productivity levels of the industry and realise that the Royal Show is an important trade exhibition to be treated as seriously as other trade exhibitions. If other industries had the same levels of productivity per man as agriculture has, to-day's balance of payments would be considerably better. Farming needs support.

Mr. Albert Boyd is a not so much to help it contribute to the country's prosperity.

J. E. Fairhead

Hill Farm, West Wickham, Kent.

Employing the young

From the Director, Aims for Freedom and Enterprise.

Sir,—Mr. Albert Boyd is a not so much to help it contribute to the country's prosperity.

J. E. Fairhead

Hill Farm, West Wickham, Kent.

Pay policy

From the Divisional Director, Division of Industrial and Human Relations, Inbucon/AIC Management Consultants.

Sir,—The recent conference decisions on pay policy and the Mineworkers and Transport and General Workers has caused emotion and irrational panic in some management circles. This is not a time for panic, however, but for sober reflection and planning.

We should first recognise that these nations have taken a democratic decision and indeed are entitled to their point of view. There can be little doubt however that while pay policy for new years has been successful, policies on prices and unemployment have not.

A national policy may yet emerge, but even if it does not, advice and guidance on pay negotiation is necessary, because statutory policies would be unpalatable.

There could be a Sete Pay Code supported by those in Government, CBI and TUC who wanted to support it. This way, there is no need for formal agreement, but the publication of a

Contract

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empathise with Mr. but the "contract" a starter on a for many years, moved a buyer which it was con- to negotiate properties at once ve more than one- ing an unfortunate day without a when he may have himself to another

Fill and follow the leader

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To-day's Events

GENERAL

Mr. Denis Healey, Chancellor of the Exchequer, leads team of Ministers in discussions with TUC Executive Committee on pay and prices.

Ministerial meeting of Organisation of Exporting Countries (OPEC), Stockholm.

Federal Court hearing in New York on Concorde landing ban.

Mr. Helmut Schmidt, West German Chancellor, ends visit to Canada and goes on to Washington for two-day talks.

Queen and Duke of Edinburgh visit Humberside.

Mr. William Rodgers, Transport Secretary, addresses National Union of Railwaymen's annual conference, Ayr.

Mr. Graham Barton and Mrs.

COMPANY RESULTS

Hog's Robinson Group (full year), International Timber Corporation (full year), Montague L. Steyer (full year), Wilkinson Match (full year).

COMPANY MEETINGS

Bradwall (F.M.S.), Rubber Estate, Plantation House, EC, 12, Brown Shipley, Flanders Court, EC, 12.30, Derritree, Winchester House, EC, 11.30, Hill Samuel Group, 100, Wood Street, EC, 12, Walbrook, EC, 10.45, Marks and Spencer (sub-committee 11), Spencer, Hotel Inter-Continental, SW, 12, Minister Assets, Great Eastern Hotel, EC, 12, Property and Reversionary Investments, Albany House, SW, 12.

PARLIAMENTARY BUSINESS

House of Commons: Debate on crime prevention, Local Authorities (sub-committee 11), Spencer, Hotel Inter-Continental, SW, 12, Minister Assets, Great Eastern Hotel, EC, 12, Property and Reversionary Investments, Albany House, SW, 12.

House of Lords: Resumption of the Bill (Scotland) Bill, third reading, Price Commission Bill and Control of Office Development Bill, committee, Water Charges Equalisation Bill, third reading, Select Committees: Nationalised Industries Committee (sub-committee A), Subject: British Waterways Board, Witnesses: NALGO (4.30 p.m., room 8), European Legislation (sub-committee 11), Spencer, Hotel Inter-Continental, SW, 12, Minister Assets, Great Eastern Hotel, EC, 12, Property and Reversionary Investments, Albany House, SW, 12.

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COMPANY NEWS + COMMENT

Hallam Group loss hits May & Hassell

TURNOVER FOR the year to March 31, 1977, of Timber Importers May and Hassell exceeded £34.3m, against £33.6m, but with losses of £2.16m, against £0.74m, from the associated company Hallam Group of Nottingham. Pre-tax profits fell from £1.87m to £1.39m. At midway profits were £1.43m, compared with £1.27m.

Hallam Group is now much reduced in size, the cabinet factory having been given the expected improvement in the scaled down system building division, now has a growing order book and there is reason to expect that as output increases losses will be eliminated, say the directors.

Current group turnover is 5 per cent down on last year, but with stock levels and interest rates much lower, current trading is profitable and should give the expected improvement in the Hallam position, lead to a comparable overall result for the current year, they tell members.

Earnings before extraordinary items, are shown to be down from 21p to 16.6p per 25p share. The dividend is raised from 2.4952p to 2.7425p with a final payment of 1.9032p.

1976-77	1975-76	1976-77	1975-76
Turnover	34,325	33,600	34,325
Associate's loss	1,184	740	1,184
Profit before tax	2,230	2,495	2,230
Extraordinary credit	1,161	1,775	1,161
Minority loss	12	11	12
Majority	1,818	1,449	1,818
Dividends	1,818	1,449	1,818
Retained	1,611	1,237	1,611

The group has provided for deferred tax for timing differences and stock inflation on sale of the investment in Hallam Group.

Extraordinary items include £1.16m profit on sale of a subsidiary Klondyke Shipping Company and £484,000 written off the investment in Hallam Group.

comment

The stock market was understandably surprised by the preliminary results from May and Hassell yesterday and the shares slumped 9p to 60p. At the half-way stage, the company had forecast a full year total of around £3m, whereas in fact a second half loss brought the total to only £1.39m. Even in March, very close to the year end, the chairman had told shareholders that the outcome for the second half would be "satisfactory". The excuses now produced are that bad debts of £0.4m, appeared, trading conditions turned down towards the end and the contribution from the shipping subsidiary sold in March was missed. But the last two factors, if net the first should have been known when the forecast of "satisfactory" second half profits was made. Now, suitably chastened, the board is forecasting "comparable" profits this year—and since the associates losses will be reduced or eliminated, that implies a substantial downturn in parent company profits. However, after applying ED19 the shares are supported by net asset value per share of 21p. The yield is 7.3 per cent.

INDEX TO COMPANY HIGHLIGHTS

Company	Page Col.	Company	Page Col.
Carclo Engineering	16 2	Ocean Wilsons	16 5
Crown House	16 7	Oil & Associated	16 8
Denny (Henry)	16 3	Radiant Metal	16 4
East Midland Press	19 2	Reed International	19 1
Lancarbors	18 1	Stead & Simpson	16 3
Latham (James)	16 4	Sterling Credit	16 5
Legal & General	16 4	Sutcliffe Speakman	16 6
May & Hassell	16 1	TSB Group	19 2

Peak £0.95m. for Carclo

Profit before tax of the card clothing division of Carclo Engineering Group more than trebled from £106,000 to £375,000 for the year ended March 31, 1977 and in the engineering division the figure was £371,000, compared with £502,000.

This boosts the group profit from £828,000 to a record £940,000, after £381,000 (£325,000) at half-way. In December last year Sir Robert Brook, chairman, forecast enhanced profits for the year.

For the current year Sir Robert reports that budgeted profits are similar to 1976/77—"so far we are on target," he states.

Stated earnings per 25p share for the year are up from 6.9p to 11.2p and, as expected, the net dividend is 1.3553p, after £381,000 (£325,000), the maximum allowed.

1976-77	1975-76	1976-77	1975-76
Card clothing sales	2,328	2,328	2,328
Engineering	5,987	4,449	5,987
Total external sales	7,566	6,447	7,566
Profit before tax	375	106	375
Extraordinary credit	471	1,775	471
Taxation	478	311	478
Net profit	488	299	488
Available for dividend	4	12	4
Extraordinary	4	12	4
Preference dividend	483	287	483
Ordinary dividends	167	97	167
Retained	316	384	316

comment

English Card Clothing demonstrated last week the buoyant conditions in the card clothing market so the stage was set for a second rise in Cardclo. In the event card clothing profits are up 234 per cent to £375,000—£200,000 above the previous peak. Strong demand from the textile industry, both at home and overseas, has been the driving force behind the figures: clothing sales are up 35 per cent and pre-tax margins up in 13 per cent, against 51 per cent engineering, and on the other hand, there shows a mere 20 per cent performance—power transmission and cutting machines were the best-performing areas and overall engineering profits are 14 per cent higher. Meanwhile the holding of Carclo's holding in English Card Clothing is creating a lot of

Stead and Simpson well placed

IN HIS annual statement Mr. H. E. Gee, the chairman of footwear retailers Stead and Simpson, says that continued staff support the company should be well able to meet any problems which might arise in the current year.

As reported on July 1, turnover expanded from £15.36m to £18.31m in the year to March 31, 1977, and pre-tax profits advanced from £1.34m to £1.89m. The dividend total is 2.5177p (2.2290p), the maximum allowed, and a one-for-three scrip issue also proposed.

Turnover in the footwear shops was again up, with an increase of 20 per cent of which 19 per cent was due to increased prices. The company was also helped by the weather in both the summer and winter seasons and had the stocks to take advantage of this. The facilities provided by the new warehouse played a considerable part in the better use of stock and reductions were noticeably less, resulting in an improved profit margin.

During the final quarters stock was appreciably higher than at the same time last year and this contributed to an increase in turnover. At March 31, 1977, stock was 45 per cent more in value than a year ago. This was largely as a consequence of the move to the new warehouse in February, and this year deliveries have been taken earlier in anticipation of trading requirements.

During the year nine branches were closed and 11 new ones opened, of which four were purchased for £257,000. Plans are in hand to open a further five branches in the year. At the year-end the company has sold its smaller warehouse at Manthorpe Road, Leicester, and has agreed terms relating to planning consent being obtained for the sale of the Belgrave Gate and Mansfield Street, Leicester, premises.

The subsidiaries in the motor trade also had a record year with an increase of 22 per cent in turnover and 33 per cent in profit before tax. The year was characterised by difficulties of supply, particularly at new cars, but this position is now improving and the directors take a optimistic view of future prospects.

comment

A 30 per cent increase in long-term business is reported by Legal and General Assurance Society for the first half of this year.

Premiums amounted to £44m, over the period compared with £34m in the first half of 1976. The group, which is the largest pensions company in Europe, reports a 50 per cent rise in new U.K. pensions and group life business from £22m to £31m, over the period, while overseas pensions business totalled £3m, compared with £2.2m, previously.

New premium income on individual life policies fell in the U.K. during the first half to £5.9m from £8.7m, in 1976, but this was more than compensated for by a rise in overseas business to £4.6m from £2.9m.

comment

After rising from £82,081 to £71,730 in the first half, pre-tax profits of Radiant Metal Finishing show little change for the year to February 28, 1977, at £133,991 compared with £132,830. Turnover increased from £567,424 to £596,712.

1976-77	1975-76	
Turnover	596,712	567,424
Profit before tax	133,991	132,830
Minority interest	7,871	7,238
Net profit	126,120	125,592
Interim dividend	6,294	6,234
Final dividend	11,576	11,004
Retained	112,250	108,354

comment

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The dividend total is lifted from 1.2685p to 1.7297p, net per share with a final of 1.2644375p.

comment

Orders for the compulsory winding up of 63 companies were made by Mr. Justice Brightman in the High Court yesterday. They were:

D. C. J. Construction Company, Green and Bronks, Fildale Trawls and Commercial Investigations, Jabco Consultants, Groupmoor, Brancary Leisure Products, Ferry Agencies (Huddersfield), F and F Superstar Photographic, Charterhouse Minter Sales (Willenhall), Jackdale, Lemare Storage, M. C. Gavin and Sons (Aitcham), C. B. Industrial Engineering, Johnston Hellands Publicity, Reid Motors (Transport), Spavin, Cabede, Sterling and Silver International, Hes. Barnard and West, Caine Investment Company, Fleestear, Golden Valley Investments, G and V Insurance Brokers, N. T. Wilkins and Sons, Lola Properties, Ltd., Finlay Co., Rodney Toogood and Co. (Sales), Tolton Motors, Wmnderslee (Roofing), Aquadee

weeks to April 2, 1977, rose from £1,602 to £844,052. The total takes £198,000 against £51,000, and the Ordinary dividend absorbs £20,400 (nil). Profit retained is higher at £147,252, compared with £17,406. The company is a subsidiary of E. M. Denny (Holdings).

J. Latham expands scrip

AFTER BEING up from £406,000 to £802,000 at half-way, pre-tax profit of timber merchants James Latham improved from £348,000 to £1,320,000 for the year to March 31, 1977.

This is £372,870 of the 1976-77 record and is struck after charging £32,000 attributable to losses by a manufacturing subsidiary and a subsidiary overseas—no further material losses are expected during the current year since the operations of the former have been drastically curtailed.

It is intended to close down the overseas subsidiary, the directors state.

A one-for-four scrip issue is proposed which will not rank for the net final dividend of 5.27p, which lifts the total from 7.52p to 12.79p. There is reduced a further payment will be made with the 1977-78 interim.

The group has revealed its freehold properties and a surplus thereon of £413,000 has been added to reserves.

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Retained	112,250	108,354

comment

Orders for the compulsory winding up of 63 companies were made by Mr. Justice Brightman in the High Court yesterday. They were:

D. C. J. Construction Company, Green and Bronks, Fildale Trawls and Commercial Investigations, Jabco Consultants, Groupmoor, Brancary Leisure Products, Ferry Agencies (Huddersfield), F and F Superstar Photographic, Charterhouse Minter Sales (Willenhall), Jackdale, Lemare Storage, M. C. Gavin and Sons (Aitcham), C. B. Industrial Engineering, Johnston Hellands Publicity, Reid Motors (Transport), Spavin, Cabede, Sterling and Silver International, Hes. Barnard and West, Caine Investment Company, Fleestear, Golden Valley Investments, G and V Insurance Brokers, N. T. Wilkins and Sons, Lola Properties, Ltd., Finlay Co., Rodney Toogood and Co. (Sales), Tolton Motors, Wmnderslee (Roofing), Aquadee

A compulsory winding-up order made on July 4 against A.E.I. Electronics was rescinded, on evidence of the company's solvency. The petition was dismissed by consent.



Mr. James Edge-Partington, chairman of Crown House.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Current dividend	Total dividend
Carclo Engineering	1.35	Aug. 31	1.23	2.63
Crown House	2.79	Aug. 22	1.78	4.57
James Latham	5.27	Aug. 22	1.06	6.33
May and Hassell	1.9	Aug. 22	1.73	3.63
Oil and Assoc.	1.38	Aug. 20	1.11	2.49
Radiant Metal	1.22	Aug. 20	0.25	1.47
Stead and Simpson	5.27	Sept. 15	0.14	5.41
Second Gt. Northern Int.	0.7	Jan. 7	0.6	1.3
Sutcliffe Credit	1.14	—	1.03	2.17

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues.

comment

After-nearly doubling first half profits, James Latham has announced a small reduction in the second half contribution. However this is a reasonable performance, improved by 94 per cent to a record £287,000 in the year to March 31, 1977.

Income rose by 20 per cent from £2.47m to £2.97m. Stated earnings per share increased from 1.75p to 5.23p per 10p share.

A final dividend up from 1.03218p to 1.1354p raises the net dividend to 1.79p. Total amount shareholders goes up from £65,000 to £72,000.

At the interim stage, when pre-tax profit was up by 75 per cent to £140,000, Mr. G. F. K. Morgan, chairman, said the directors were confident the improvement in profitability would be maintained in the second half despite recent interest levels.

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Sutcliffe Speakman to improve

Mr. S. W. Livesey, the chairman of Sutcliffe Speakman and Co., tells members in his annual statement that prospects for the current year are good and he is confident of a resumption of the steady increase in the group's financial performance.

There should be a marked improvement in results of the engineering division and a continuation of the good return from the carbon division, he says.

As reported on July 5 sales came to £7.54m for the year to March 31, compared with £5.66m. Pre-tax profits fell from £432,000 to £338,000.

The engineering side had a particularly trying year. Home market demand virtually non-existent, and entirely dependent upon overseas orders. Current year business will be mainly from Middle East countries and the U.S. and the order book is good.

The carbon division had another good year. The benefits of the plant modernisation became more apparent during the year. There is a very satisfactory order book for home and export and the outlook is quite encouraging, says Mr. Livesey.

Meeting, Manchester on August 2 at 12.30 p.m. Statement Page 13

Second Great Northern

Revenue for the year to end May 1977 at Second Great Northern Investment Trust

comment

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D. C. J. Construction Company, Green and Bronks, Fildale Trawls and Commercial Investigations, Jabco Consultants, Groupmoor, Brancary Leisure Products, Ferry Agencies (Huddersfield), F and F Superstar Photographic, Charterhouse Minter Sales (Willenhall), Jackdale, Lemare Storage, M. C. Gavin and Sons (Aitcham), C. B. Industrial Engineering, Johnston Hellands Publicity, Reid Motors (Transport), Spavin, Cabede, Sterling and Silver International, Hes. Barnard and West, Caine Investment Company, Fleestear, Golden Valley Investments, G and V Insurance Brokers, N. T. Wilkins and Sons, Lola Properties, Ltd., Finlay Co., Rodney Toogood and Co. (Sales), Tolton Motors, Wmnderslee (Roofing), Aquadee

A compulsory winding-up order made on July 4 against A.E.I. Electronics was rescinded, on evidence of the company's solvency. The petition was dismissed by consent.

23% increase at Crown House

A SECOND HALF increase of £0.38m to £1.94m, gave Crown House an advance of 23 per cent to £2.61m for the year ended March 31, 1977, compared with £2.98m. The main areas from which the additional profit was derived were engineering contracting (particularly overseas) and table glassware, where a 53 per cent advance in exports was achieved, say the directors.

As forecast, the dividend is raised by the maximum permitted from 3.812p, as adjusted for the consolidation into 25p shares and the one-for-four scrip issue, to 4.412p with a net final of 2.795p. If the standard rate of income tax is reduced the final will be adjusted. A two-for-five scrip issue is proposed.

1977	1976	
Turnover	7,900	6,380
Profit before tax	2,625	2,000
The group	2,625	2,000
Associates	—	—
Tax	1,444	1,202
Payable	600	778
Deferred	—	—
Net profit	1,221	828
Pre-emption	128	128
Minority interest	128	128
Extraordinary dividends	—	—
Attributable	1,093	700
Preference dividends	25	25
Ordinary dividends	1,068	675
Retained	1,141	1,025

Earnings are shown ahead from 12.3p to 13.1p including deferred tax, and from 8.2p to 7.5p after deducting deferred tax.

A divisional breakdown of pre-tax profit shows (000s omitted): electrical and mechanical engineering services £1,508 (91,182), glassware £243 (£500), and miscellaneous £177 (£435).

The drop in the miscellaneous section has been caused by the lack of completion in property development, offset to some extent by improved profits from official staff services, the directors explain.

A further improvement in cash flow has been achieved with net cash balances advancing from £2.55m in £3.95m, up 44 per cent on the year.

The engineering sector of the construction industry has become noticeably more competitive, but contracting experience allows the company to be successful, members are told. The group is now established in the Middle East with profit sharing arrangements in Oman and the United Arab Emirates. A contract valued at £0.5m, has recently been obtained for the complete mechanical and electrical installation at the Al Ghurair Centre in Dubai.

Progress is also being made in widening the group's electrical installation activities in Nigeria. In glassware, although export experience is new, hardening.

comment

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23% increase
Crown House
 SUCCESS...
 ISSUE NEWS
 Jackson Group
 the OTC market
 nce

1976: Earnings per share 15p.

"I've always said you could rely on Hanson Trust for a respectable earnings record"

1973: Earnings per share 7p.

"Hanson seem to have a reasonable balance sheet emerging"

1970: Earnings per share 3p.

"Hanson Trust are a crew of entrepreneurial opportunists"

Over the past ten years Hanson Trust's growth has been remarkable. A sustained programme of acquisition combined with steady organic growth has led to an interesting variety of comment. And although we don't have a crystal ball and can't guarantee the future, we'd like to tell you how the Hanson Trust philosophy of industrial management has succeeded in the past and will be the cornerstone of any future success.

enjoys a great degree of autonomy. Hanson Trust is thus a central management force, there to advise, support, stimulate and even if necessary replace, but never supplant, the local management.

Hanson Trust: A management pool with no shallow end

Hanson Trust is committed to helping its subsidiaries develop, through carefully planned growth, into major forces within their own industries. We believe the earnings we look for can only come through good management and careful house-keeping. This emphasis on management expertise and financial control applies at every level. We have no room anywhere for second rate performance. We are not interested in buying companies to sell (a destructive policy that has emasculated many sound management teams). We do everything possible to encourage good management because we recognise that good management is the only difference between an ordinary and a great bottom line.

Earnings per share 1p.

"Hanson Trust? Never heard of them"

The Hanson Trust insurance policy

As a specific policy, Hanson Trust have never invested in companies purely for goodwill or brand name reasons. We've always tried to select companies in basic staple industries which are soundly managed and capable of an increasing contribution to Hanson profits. We are strongly represented in agriproducts and industrial services in North America and throughout the U.K. These wide-based holdings and the management policy behind them have given Hanson Trust the extra insurance of knowing that even if there's a recession in one industry to which we're committed, it should not materially affect our overall performance.

A matter of opinions

There are many different opinions about Hanson Trust. One has only to read the press following announcements of our results to see how wide-ranging these views are. But while the pundits argue, we get on with what we do best; working hard to create more profit, more jobs, more wealth for Britain and greater security for our employees and shareholders.

Will the real Hanson Trust please stand up?

Hanson Trust is an industrial management company whose purpose is to invest in sound, profit-making companies, and to encourage these businesses to grow by providing additional capital where necessary, and just as importantly, imaginative management thinking. It has under its control over forty principal companies involved in the basic areas of agriproducts and industrial services, and each company

Hanson Trust
The industrial management company where people are as valued as assets.

18 Reed Intl. sees more

The far from complete reorganisation and reconstruction that has already been achieved at Reed International should of itself ensure further progress in the current year, states Mr. Alex Jarrett, chairman.

LancerBoss jumps by £1.47m. to £2.26m.

ON EXTERNAL sales up from £20.74m to £22.37m including extra of £14.23m. (£11.34m.) pre-tax profits of the privately owned, fork-lift truck maker LancerBoss jumped from £783,000 to £2,260,000 for the year to March 31, 1977.

Table with financial data for LancerBoss, including External sales, Profit, Share loss, and Tax credit.

In his annual statement, Mr. G. N. Bowman-Shaw the chairman says the result reflects the benefit of the reversion to the horizontal structure in a full trading year, combined with effective stable management.

SUTCLIFFE SPEAKMAN & CO. LTD.

Sallient points from Statement by Chairman, Mr. S. W. Livesey. The group trading profit for the year ended 31st March 1977 was £452,431 compared with £492,117.

BIDS AND DEALS

Lonrho pushes 'Suits' stake past 29%

Speculation that Lonrho, the international trading group headed by Mr. R. W. "Tiny" Rowland, could be poised to make a full-scale take-over bid left the share price of Scottish and universal investments ("Suits") up higher at 52p.

ANGLO-WELSH UNITISATION

Proposals to unwind Anglo-Welsh Investment Trust with a view to realising more of the underlying asset value than is presently reflected in the share price took a new turn last night.

R-R drops Fodens offer

ROLLS-ROYCE MOTORS Holdings has dropped its £11m. bid for Fodens, the special commercial motor manufacturer, which is still being contested by the Fodens Board, although it had increased from an earlier £8.4m.

NEWMAN'S TUBES

Details of Ductile Steels' agreed bid for Newmans Tubes have been sent out to shareholders. The family directors of Newmans and family trusts, together accounting for 53 per cent of the equity, have agreed to accept the offer which, at last night's meeting, was valued at 178.5p per share.

Reo Stakis expands off-licences

In a share and cash deal worth £2.58m., Reo Stakis Organisation is acquiring D. and A. Haddow, which is a private company of off-licence shops in Scotland.

COWIE/COLMORE

Acceptances received by T. Cowie in respect of its offer for Colmore amount to 302,021 shares.

BIRD & CO. (AFRICA)

Bird and Co. (Africa) announce that the third instalment of compensation has been received in accordance with the agreement reached with the Tanzania Government.

NORCROS

Norcros has purchased from Pillar Industries Pty. of Sydney, wholly owned subsidiary of RTZ, the entire capital of Pillar (Singapore) now renamed Critical Singapore.

E. J. Riley and the outstanding

12 per cent Convertible Unsecured Loan Stock 1978 of Headcrest have been received in respect of 558,888 nominal (£81.20 per cent.) and £116,982 nominal (£7.50 per cent.) respectively.

MIT & HELLENIC AGREE TERMS

The Boards of MIT, a wholly-owned subsidiary of Hambros and Hellenic, have agreed terms whereby MIT will make offers for the capital of Hellenic, other than the 10.48m. Ordinary shares (representing 69.59 per cent of the company) and the 287,000 8 1/2 per cent Cumulative Preference Stock (£3.7 per cent.) which it already owns.

RILEY/HEADCREST

E. J. Riley Holdings announces that its offer to acquire the capital of E. J. Riley not owned by Headcrest Investments, once the capital of Headcrest has been received unconditional as to acceptances.

SOUTHERN INDIA TEA BID

Douglas Fraser and Sons (London) has irrevocably agreed to acquire 52.21 per cent of the capital of Southern India Tea. The offer is an unconditional offer to be sent to shareholders as soon as possible.

MORAN GROUP

Details of the purchase by the Christopher Moran Group of Lloyd's underwriting agents Redgrove and Everington for £295,000 have been sent out to shareholders. Under the agreement Moran will buy all of the 4,900 non-voting 'B' shares in R and B at around £70 a share and 62 of the 100 'A' voting shares at £1 each.

SHARE STAKES

ICFC Ductile Investment Trust By the one-for-15 scrip issue on June 27, ICFC Group increased its interest to 6,535,648 shares (41.849 per cent.). For purposes of section 33 of the Companies Act 1967, the companies consent to comprise the ICFC Group as ICFC, Income Investments and London Atlantic Investment Trust.

ASSOCIATES DEALS

On Friday, Rowe and Pitman, Hurns Brothers bought for Lord Brothers end Co an associate of

RESULTS AND ACCOUNTS IN BRIEF

CRONITE GROUP Investment holding company—Turnover £2,760,111 for half-year to March 31, 1977. Profit before tax £128,000. Reference was made to a bad debt of approximately £20,000 in the interim report although it was not taken into account in arriving at the trading profit of £108,000. Results for year ended June 30, 1976: Turnover £2,760,111, Profit before tax £128,000, Earnings per share 1.57p (1975: 1.57p).

MINING NEWS

More Comalco aluminium is about to flow

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S Comalco, part of the Rio Tinto group, has now begun commissioning the expansion of its SAGELESM (SAGELESM) primary aluminium smelter at Bell Bay in Tasmania. It will increase Comalco's total capacity to an annual 187,000 tonnes of primary aluminium; last year's production was 160,498 tonnes.

INDUSTRY WILL USE MORE GOLD

New uses for gold are expected to increase demand for the yellow metal and there is also an expansion in its traditional uses, according to the Gold Institute. The latter, which has its headquarters in the U.S., is a relatively new world-wide association of suppliers of gold and gold products.

Falconbridge in big Chile copper deal

THE CHILEAN Government has signed an agreement with a consortium of British and American companies for the exploration and possible development of the Quebrada Blanca copper deposit, situated in the Andes in the north of the country. The potential investment is \$700m. (£497.1m.).

APPOINTMENTS

Lord Watkinson, who is to vacate the presidency of the Confederation of British Industry at the end of this year for health reasons, has now resigned from the Board of BICC after nine years as a non-executive director, further to reduce his commitments.

MINING NEWS

earnings to \$426.4m. (£27.2m.) from \$48.3m. in the previous financial year and the dividend total was raised to 8 cents from 2.75 cents. Clearly, further progress will be made in the current year.

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Dr. A. J. P. Sahasrwal, at present Director of Asbestos Cement, a subsidiary of Turner and Newall in India, has been appointed joint managing director of the ROYAL DRYTEXTILES, from November 1.

MINING NEWS

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OCEAN WILSONS (HOLDINGS) LIMITED

SALENT POINTS FROM THE CHAIRMAN'S REPORT. Results for the year to 31st January, 1977 show improvement in the profit before tax from £1,967,633 to £2,798,119. Earnings after tax and excluding the disposal of a warehouse, were 23.93p per share or 18.53p per share in the previous year. The Direct Insurance General Insurance Company will absorb almost all part of the Group profits dealt with in the Accounts Holding Company. The Board are also recommending issue of one new Ordinary Share for each existing share on 1st July, 1977 by way of capitalisation of reserves.

COMPARATIVE STATEMENT

Table with comparative financial data for Ocean Wilsons (Holdings) Limited, including Group Turnover, Profit before tax, Taxation, and Dividends.

The Annual General Meeting will be held at 12 mid Wednesday, 3rd August, 1977, to be followed by an ordinary General Meeting to approve the capitalisation of reserves. Both meetings will be at Winchester House, Old Broad Street, London, E.C.C.

REED INTERNATIONAL LIMITED



Review by Alex Jarratt Chairman and Chief Executive from the Reed International Annual Report for the year ended 31 March 1977

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IFAN WELSH

sales



economic recovery in the United Kingdom has been, and still is, abysmally slow and was attended by major financial instability in the latter half of the year and by a dangerously high rate of inflation after. Little relief was to be found, however, from the other parts in which we operate. With the exception of Australia, where there was a limited recovery, trading conditions have been poor and unassured margins considerable. Against this background, the achievement of the Company's pre-tax profits is a creditable performance.

I wish to acknowledge the quality of the achievement of my colleagues throughout the Company at all levels, individually and collectively, and express my appreciation to them.

The trading profit of the UK divisions and their associated companies last year was slightly more than the trading profit of the rest of Reed International in 1975/76; and the proportion of trading profit derived from our UK operations was greater despite the substantial addition of Reed Nampak's profits to our overseas results.

This marked improvement in our UK performance is the result of recognition of the major change of economic circumstances in which we have had to operate and a determination to re-organise our structures and marketing strategies accordingly. This has required, in some cases, the cutting out of inefficient capacity with a resultant loss of jobs; but it has also required new technology and new investment in turn, will create greater job security for the future.

Such new investment - and more is planned for this year - is in direct contrast to the picture often painted by ill-informed critics of the industry generally. As recent evidence has shown, industry is investing on a rapidly increasing scale; it is raising high, if carefully considered, risks in doing so in anticipation of growth potential ahead. International comparisons show that UK investment levels are not, in fact, low. It is in the way that investment has been used, in the results from its application, that our record has been so poor. This is why the measures we have been taking to improve the efficiency of our present operations are as important as the investment in new facilities. The much improved profits from existing plants, for example, and the improvements in volume and margin at lower break-even levels in paper making are both the result of more efficient use of existing resources and skills, a process that has taken several years to achieve in some cases.

The effective involvement of everyone who works in industry is essential for securing improvements of this kind. The climate in which business operates can, and must be, changed. But management for its own sake is too limited an objective. We must be involved with a specific purpose in mind, namely, to improve our understanding and greater co-operation in producing a more efficient, more competitive, more profitable British industry.

We, in Reed International, are committed to effective management. Its operation and stage of development varies considerably as between different parts of the organisation. Progress by divisions and their subsidiaries in ways best suited to their particular needs and opportunities, will be a continuing activity of major importance for the future well-being of our company and for every member of its staff, whatever their job.

That is why my management colleagues and I are unanimous in our opposition to any legislation based upon the Majority Report of the Lock Committee of Inquiry into Industrial Democracy. The recommendations are not about participation but about control; they are about dividing not unifying British industry; about an 'industrial democracy' which, for example, effectively disenfranchises the vast majority of our UK workforce, virtually all UK managers, and the workers for Reed International overseas. The future of this country and the future of this industry are too important to be set at risk by such ill-conceived proposals. They must be rejected and made to yield to more sensible and realistic measures.

The more immediate problem facing British industry, however, is that of inflation. The rate has been halved compared with the excesses of 1974/75, but it remains at least twice that of our major international competitors. Two phases of incomes policy have contributed to this relative improvement; but the resulting squeeze on wages and differentials combined with punitive levels of taxation have impacted most harshly on those on whom we rely to drive industrial recovery. Whatever else may be the outcome of the discussions between the Government and the TUC on Phase 2, the ability to reward properly those who carry the responsibility of them keep more of what they earn should have the highest

The core of our inflationary problem is not to be found in the rewards of those who contribute effectively to the creation of the nation's wealth. It is to be found instead in the ways in which that wealth has been squandered in the unrelenting equalisation of reward and benefits for all irrespective of individual contribution and in the burgeoning weight and inefficiency of public sector spending. Until these are tackled, and certainly tackled more rigorously than now, inflation will remain with us.

The effects on companies such as ours are clearly apparent. Returns are less than they were ten years ago and in 1975 they were actually negative. We are not alone in this. It is the low level of real return throughout British industry that has led the CBI to call for an entirely new strategy based on a competitive market economy and a more stable Government/industry relationship rather than the stifling controls and policy vagaries we have endured for so long. Certainly the continuation of price and profit margin controls will contribute nothing to this; on the contrary, they will add to uncertainty and limit the resources available to industry to provide the investment and jobs that the advocates of price control claim they also wish to see.

However, it would be unfair to attribute all our problems to government in this country, though the environment in which our UK operations are conducted inevitably conditions a large part of our fortunes. But other environments are also important for us. The performance of our Canadian subsidiary, Reed Paper, has been the major disappointment of the year, being a combination of a weak home economy, continuing uncertainty in world pulp and paper markets, prolonged strikes at each of our mills and insufficient rigour in management response. Major steps are now being taken to bring the situation under closer control and, in particular, to restrain the use of additional capital in the business. Much of the capital that has been invested in Canada relates to environmental matters and, therefore, contributes nothing to earnings. It is, instead a practical recognition by Reed Paper of its responsibility for overcoming the hazards associated with its pulping operations some of which were not fully understood, nor closely regulated, only a few years ago.

The South African economy is also in recession and this has affected significantly the markets for the products of our new pulp and paper mill at Stanger, near Durban. This was, for the first time in that country, the fibre from sugar cane as its raw material. After some start-up troubles we now know that we have a sound mill, but our ability to maximise its potential will inevitably be constrained until the economy improves. Meanwhile, our recently acquired packaging company, Reed Nampak, has performed excellently and has already made an important contribution to our overseas profits.

The Australian economy showed some limited recovery during the year and our subsidiary took advantage of it, particularly in building products. A pleasing feature has been the development, after several years of difficult preparatory work, shown by our world-wide irrigation company that is based in Australia.

With the acquisition of the De Hoop packaging business in 1976 we have increased our total investment in Holland to the level at which it vies with Australia and South Africa. The Dutch economy has also been in recession, but we are confident that our operations in that country will be an important springboard for future expansion on the Continent.

The process of re-organisation and reconstruction that has contributed to our much improved results in 1976/77 is far from complete. That which has already been achieved should of itself ensure further progress in the current year. But closer examination, both of our level of earnings and of our capital structure, shows that much more needs to be done to improve the real return on our assets and to reduce proportionately the Company's dependence on debt rather than equity. The action required here is to shift resources away from those areas where we have insufficient market strength or penetration and also from those areas where we can perceive a deteriorating structural change in demand for the products concerned; and to concentrate our capital and our management in those areas where we have good and continuing markets, proven skills and an improving track record.

We have given much thought to this during the last year and I have been considerably helped in this by the strengthening of the corporate centre of the company at both Board and staff director levels. In consequence, we are now following a consistent and viable strategy rather than relying too heavily upon opportunism to see us through the uncertainties of modern industrial life.

Principal activities

Reed International Limited is a company based in the United Kingdom holding world-wide interests and investments in some 40 countries.

The principal activities of the companies within Reed International are pulp and timber, waste paper, paper and board, packaging and stationery manufacturing and conversion; the production and marketing of decorative products including wallcoverings, paint, and 'do-it-yourself' home improvement products; the printing and publishing of newspapers, consumer and business magazines, books, business directories and general printing; and the manufacturing and marketing of building products including plastic pipes, guttering and fittings, irrigation products, baths, ceramic sanitaryware and tiles.

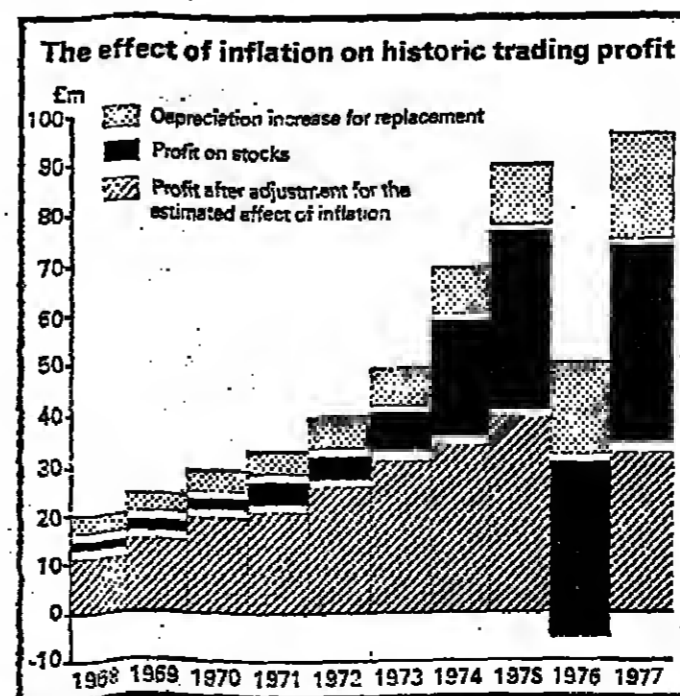
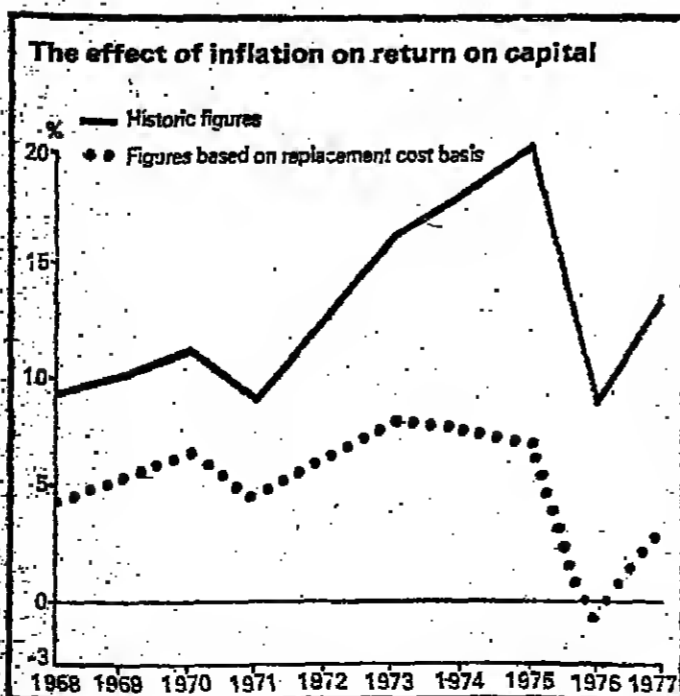
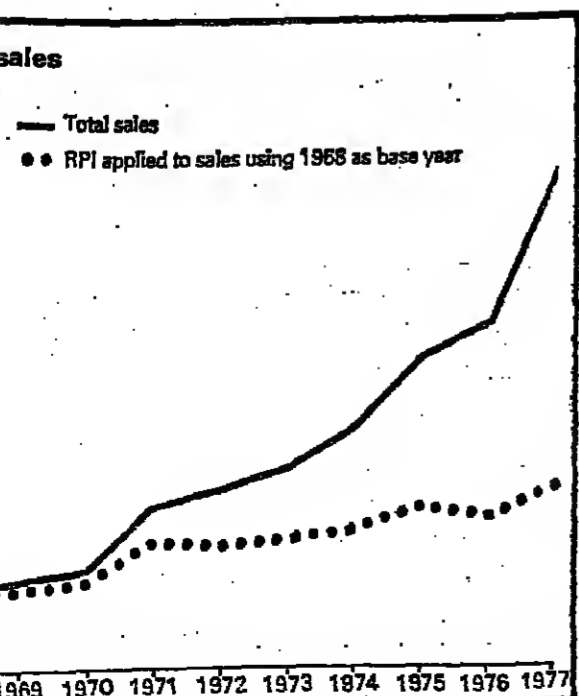
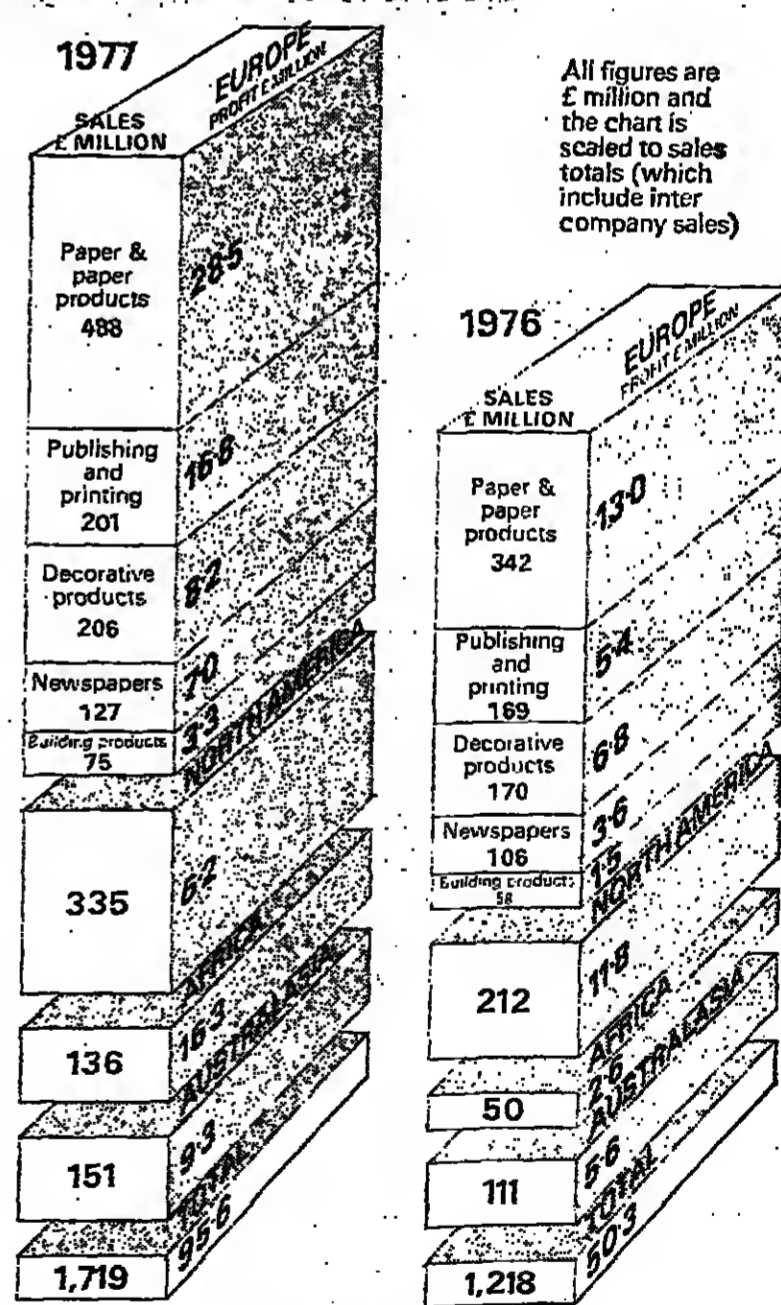
The companies carrying on these activities in Europe are grouped into five divisions, Reed Group (paper and packaging), Wall Paper Manufacturers, Mirror Group Newspapers, International Publishing Corporation and Reed Building Products.

Outside Europe, the companies engaged in these activities are mainly grouped into three further divisions, based in Australia, Canada and South Africa.

Financial Highlights

	1977	1976
	£m.	£m.
Sales United Kingdom	798	647
Sales Overseas	690	416
Sales Total (excluding inter company sales)	1,488	1,063
Trading Profit	96	50
Share of Profits of Associated Companies	14	11
Interest Payable (net)	35	24
Profit before Taxation	75	37
Profit after Taxation	34	16
Dividends paid and proposed	15	10
Capital Employed	916	737
Capital Expenditure	65	54
Earnings per Ordinary Share	25.8p	14.0p
Dividends per Ordinary Share: Amount paid	13.0p	11.1p
With tax credit	20.0p	17.0p
	Thousands	
Shareholders	76	79
Employees	86	87

Analysis of sales and trading profits





Sifam meters and collet knobs feature on the control panel of this portable laboratory for analysing water quality which is made by Simac Limited of Walton-on-Thames.



“While we make our own commercial judgements, Midland’s banking viewpoint is always valuable.”

J. Ian McKenzie, Managing Director, Sifam Limited

Sifam Limited of Torquay are leading manufacturers of electrical measuring and indicating instruments and collet control knobs. Says Ian McKenzie, Sifam’s Managing Director, “Ours is a bespoke business with 2,500 live accounts covering every kind of industry. They all need measuring instruments—known simply as meters—for uses as varied as the monitoring of heart/lung machines, the analysis of the composition of gases, and the complex multi-tracking of an LP by the latest rock superstar. “Our business is about precision—in design and manufacture—and in planning our production to other people’s time schedules. To run a company like ours successfully, we have to set high standards of efficiency and organisation. We budget down to the shoe laces. And we make the same high demands on our business partners.



Precision is Sifam’s business: quality control is crucial.



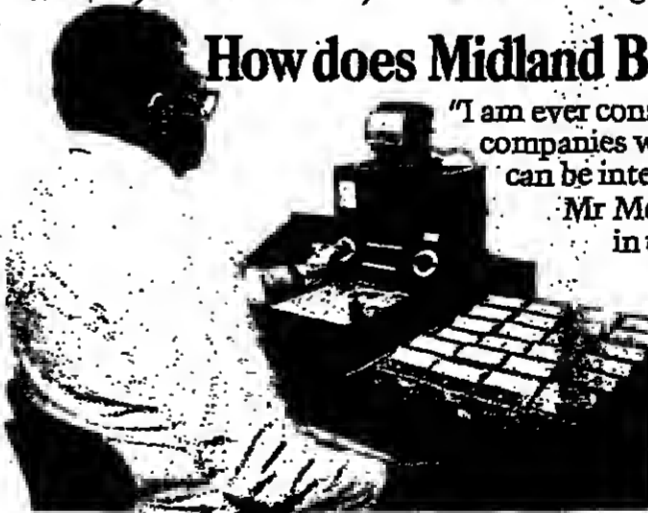
Purpose-built machines to produce made-to-order Sifam meters.

“We have dealt with Midland Bank for a long long time and never found them wanting in any way.”

“We work very closely with the Midland,” says Mr McKenzie, “so they have to have an intimate understanding of our objectives. They provide orderly and consistent responses to the fluctuations in our cash flow requirements. They have also facilitated the extensions to our factory premises. While we make our own commercial judgements, Midland’s banking viewpoint is always valuable.

“The world is our market and Midland’s support is truly international.”

“Our direct overseas business comprises roughly 20% of our current turnover, and here Midland Bank expertise and depth of service are important. Through their International Division they are able to obtain assessments of the status of new foreign customers. They assist us with the feasibility studies we carry out before deciding to enter new markets.



Checking the accuracy of Sifam meters.

How does Midland Bank Group fit in?

“I am ever conscious that the Midland is a group of companies with a range of financial services that can be integrated to Sifam’s needs,” says

Mr McKenzie. “Forward Trust have helped in the purchase of large items of plant but where more appropriate Midland Montagu Leasing have also been able to assist us. The Bank are always quick to get an opinion on a proposition from any company in Midland Bank Group.”

A wide range of Financial Services

Whatever your company’s size and style, or the kind of banking service you need, you’ll find the Midland people good and businesslike to deal with. Your Midland manager can also help you with access to services provided by all the powerful companies that make up Midland Bank Group.

Services that include facilities for term loans, leasing, hire-purchase, merchant banking, equity capital for growth companies, international insurance broking and advisory services, international and export finance, travel, factoring, investment management and trust services. Also, for very large companies, Midland’s Corporate Finance Division has a select team that can work directly with the company to make the best possible use of the wide range of Group services.

Talk to your local Midland manager—he can put you in touch with all the right people.



Midland Bank Group

Principal trading companies: Midland Bank Limited, Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited, Northern Bank Limited, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Finance Corporation Limited, Northern Bank Trust Corporation Limited, Midland Bank Trust Company Limited, Midland Bank Group Unit Trust Managers Limited, Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited, Midland Bank Insurance Services Limited, The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Bankers Limited, Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Guyerzeller Zimmont Bank AG, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited, Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc, Bland Payne Australia Limited, London American Finance Corporation Limited, British Overseas Engineering & Credit Company Limited, Drake (UK) International Limited, Drake America Corporation, Export Credit Corporation.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

COMPANIES

Knockner lowers 1977 forecast

LAWTIN

and Co. is looking at overseas subsidiaries, stood at 1 half of the year DM1.5bn, of which more than DM500m. would have been delivered by the end of the current year.

In the beating technology sector, a further improvement on 1976's sales of DM1.6bn was expected, and a major increase in sales was forecast for 1978.

With the European steel market in the doldrums, there can be little surprise that 1976's figures were far from inspiring. However, the concern reported overall sales of DM7.64bn, up from DM6.65bn, and Kloeckner-Humboldt-Deutz DM3.7bn, up from DM3.48bn. Kloeckner Werke sales at DM3.35bn were down on 1976's DM3.39bn. Inter-trading increased from DM1.85bn to DM1.96bn.

Capital investment by Kloeckner in 1976, at DM41m, remained virtually unchanged. Depreciation, however, increased from DM38.5m to DM98m, of which DM140m was attributable to depreciation on the new administration building.

FRANKFURT, July 11

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Bosch expecting slowdown

BY OUR OWN CORRESPONDENT

THE Robert Bosch Group, the manufacturer of automotive, industrial and household electrical equipment, expects a substantial increase in sales this year. Profits, well ahead last year, should be held around the 1976 level.

With its annual report comes turnover of about 10 billion in the current DM42.2bn to 50m. The sector's authorised level of DM680m, including the figures Some DM120m, will come from

FRANKFURT, July 11

Group sales in 1977 are expected to rise 9 per cent, after an average 2 per cent increase in prices—a respectable figure, although out as spectacular as 1976's 14.3 per cent growth rate which took turnover up to DM32.2bn. It also implies a sharp fall in slow-down as group turnover in the first six months showed a real increase of 12 per cent, compared with the same 1976 period—largely the result of 13 per cent increase in domestic sales.

II for devaluation in Sweden

IN DULLFORCE

National Pensions over Kr100m. its equities portfolio, the first half of the year, virtually unchanged. Mr. Dahlström suggests a 10 per cent increase in the value of the portfolio, which would be a competitive price for companies on the market.

Government has been reluctant to devalue the krona, but the Fund's performance depends on the costs of the companies, according to Mr. Dahlström. This would be a devaluation in the time by at least 10 per cent.

Government must not devalue in this sense in the autumn," Mr. Dahlström added.

STOCKHOLM, July 11

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House inates

YORK, July 11

HOUSE ELECTRIC is holding discussions with the court in its massive anti-trust case against 29 international producers any meaningful and has been for the moment.

and Midlands "onational."

and Bank Group

Financial Services

IRI to publish project review

ROME, July 11

FOLLOWING a full Board meeting this morning, the Italian State holding company, Istituti per la Riproduzione Industriale (IRI), decided to publish the results of an internal review of the proposed 5500m. integrated steel complex planned for Gioia Tauro in Calabria.

This is the project which the EEC Commissioner for Industry, had asked the Italian Government earlier this month to drop pleading that to go ahead with the Gioia Tauro project would create further surplus production in a sector where there was already severe over-capacity. He promised that there would be Community funds to locate alternative industries in an area which has acute unemployment.

Israeli taxation at record level

BY L DANIEL

JERUSALEM, July 11

THE LEVEL of taxation in Israel reached a new high in 1976 according to figures published by the Finance Ministry.

The proportion of taxes in total national income rose to 55 per cent, from 54 per cent in 1975, having come to nearly 53.500m. National income was 54,400m.

The proportion of taxes to the GNP rose accordingly to 50 per cent, from 42 per cent in 1975, last year's GNP having come to 25,737m.

The proportion of taxes in total resources rose to 36 per cent, from 30 per cent in 1975, the 1976 total of resources having come to 27,877m.

The last big rise was in 1970, when taxes accounted for 41 per cent of national income, 33 per cent of the GNP and 28 per cent of total resources.

NESTLE hotels

NESTLE and Carlo de Mercurio of Lausanne have formed a joint company to establish a Swiss chain abroad.

Industry sources said the new company plans to place emphasis on Central America and the Middle East when setting up new hotels.

Rebuke for Abercom from Protea Board

JOHANNESBURG, July 11

FOLLOWING the ambiguous withdrawal last week of Abercom's tender for the Protea South African conglomerate Protea Holdings, in terms which left open the possibility that Abercom might return with a revised offer once its own and Protea's figures have been published for the year ended June 30, the Protea Board has released a stinging rebuke for Abercom which the May 4 offer had been "unconditionally withdrawn."

The statement, sent out by Protea's merchant bankers Union Acceptances, with the authority of the Board, says: "shareholders should not be misled by any comment or suggestion that the offer is being reviewed. An offer exists." It adds: "Abercom's right to consider any offer at any future time is of course in no way different to the right of any other company to do so."

Renault to invest £600m. in truck division

PARIS, July 11

INVESTMENT OF around £600m. has been earmarked for the Renault subsidiary commercial vehicle subsidiaries of the State-owned Renault Motor Company between now and 1981. The object is to create a French commercial vehicle company able to compete internationally and take a larger share of the home market, more than half of whose current needs are met by imports.

This was the logic behind the take-over of Berliet by the Renault group three years ago when Berliet's parent company, Citroen, ran into financial difficulties. Since then Renault policy has been to maintain the identities of Berliet and its original commercial vehicle company Saviem while seeking to improve efficiency by using common equipment and parts whenever possible. A new range of vehicles was to be prepared which would be the flag-carriers of the Renault offensive.

Selected Eurodollar Bond Prices

Mid	Offer	Mid	Offer	Mid	Offer
1000	1002	1000	1002	1000	1002
1001	1003	1001	1003	1001	1003
1002	1004	1002	1004	1002	1004
1003	1005	1003	1005	1003	1005
1004	1006	1004	1006	1004	1006
1005	1007	1005	1007	1005	1007
1006	1008	1006	1008	1006	1008
1007	1009	1007	1009	1007	1009
1008	1010	1008	1010	1008	1010
1009	1011	1009	1011	1009	1011
1010	1012	1010	1012	1010	1012
1011	1013	1011	1013	1011	1013
1012	1014	1012	1014	1012	1014
1013	1015	1013	1015	1013	1015
1014	1016	1014	1016	1014	1016
1015	1017	1015	1017	1015	1017
1016	1018	1016	1018	1016	1018
1017	1019	1017	1019	1017	1019
1018	1020	1018	1020	1018	1020
1019	1021	1019	1021	1019	1021
1020	1022	1020	1022	1020	1022
1021	1023	1021	1023	1021	1023
1022	1024	1022	1024	1022	1024
1023	1025	1023	1025	1023	1025
1024	1026	1024	1026	1024	1026
1025	1027	1025	1027	1025	1027
1026	1028	1026	1028	1026	1028
1027	1029	1027	1029	1027	1029
1028	1030	1028	1030	1028	1030
1029	1031	1029	1031	1029	1031
1030	1032	1030	1032	1030	1032
1031	1033	1031	1033	1031	1033
1032	1034	1032	1034	1032	1034
1033	1035	1033	1035	1033	1035
1034	1036	1034	1036	1034	1036
1035	1037	1035	1037	1035	1037
1036	1038	1036	1038	1036	1038
1037	1039	1037	1039	1037	1039
1038	1040	1038	1040	1038	1040
1039	1041	1039	1041	1039	1041
1040	1042	1040	1042	1040	1042
1041	1043	1041	1043	1041	1043
1042	1044	1042	1044	1042	1044
1043	1045	1043	1045	1043	1045
1044	1046	1044	1046	1044	1046
1045	1047	1045	1047	1045	1047
1046	1048	1046	1048	1046	1048
1047	1049	1047	1049	1047	1049
1048	1050	1048	1050	1048	1050
1049	1051	1049	1051	1049	1051
1050	1052	1050	1052	1050	1052
1051	1053	1051	1053	1051	1053
1052	1054	1052	1054	1052	1054
1053	1055	1053	1055	1053	1055
1054	1056	1054	1056	1054	1056
1055	1057	1055	1057	1055	1057
1056	1058	1056	1058	1056	1058
1057	1059	1057	1059	1057	1059
1058	1060	1058	1060	1058	1060
1059	1061	1059	1061	1059	1061
1060	1062	1060	1062	1060	1062
1061	1063	1061	1063	1061	1063
1062	1064	1062	1064	1062	1064
1063	1065	1063	1065	1063	1065
1064	1066	1064	1066	1064	1066
1065	1067	1065	1067	1065	1067
1066	1068	1066	1068	1066	1068
1067	1069	1067	1069	1067	1069
1068	1070	1068	1070	1068	1070
1069	1071	1069	1071	1069	1071
1070	1072	1070	1072	1070	1072
1071	1073	1071	1073	1071	1073
1072	1074	1072	1074	1072	1074
1073	1075	1073	1075	1073	1075
1074	1076	1074	1076	1074	1076
1075	1077	1075	1077	1075	1077
1076	1078	1076	1078	1076	1078
1077	1079	1077	1079	1077	1079
1078	1080	1078	1080	1078	1080
1079	1081	1079	1081	1079	1081
1080	1082	1080	1082	1080	1082
1081	1083	1081	1083	1081	1083
1082	1084	1082	1084	1082	1084
1083	1085	1083	1085	1083	1085
1084	1086	1084	1086	1084	1086
1085	1087	1085	1087	1085	1087
1086	1088	1086	1088	1086	1088
1087	1089	1087	1089	1087	1089
1088	1090	1088	1090	1088	1090
1089	1091	1089	1091	1089	1091
1090	1092	1090	1092	1090	1092
1091	1093	1091	1093	1091	1093
1092	1094	1092	1094	1092	1094
1093	1095	1093	1095	1093	1095
1094	1096	1094	1096	1094	1096
1095	1097	1095	1097	1095	1097
1096	1098	1096	1098	1096	1098
1097	1099	1097	1099	1097	1099
1098	1100	1098	1100	1098	1100
1099	1101	1099	1101	1099	1101
1100	1102	1100	1102	1100	1102
1101	1103	1101	1103	1101	1103
1102	1104	1102	1104	1102	1104
1103	1105	1103	1105	1103	1105
1104	1106	1104	1106	1104	1106
1105	1107	1105	1107	1105	1107
1106	1108	1106	1108	1106	1108
1107	1109	1107	1109	1107	1109
1108	1110	1108	1110	1108	1110
1109	1111	1109	1111	1109	1111
1110	1112	1110	1112	1110	1112
1111	1113	1111	1113	1111	1113
1112	1114	1112	1114	1112	1114
1113	1115	1113	1115	1113	1115
1114	1116	1114	1116	1114	1116
1115	1117	1115	1117	1115	1117
1116	1118	1116	1118	1116	1118
1117	1119	1117	1119	1117	1119
1118	1120	1118	1120	1118	1120
1119	1121	1119	1121	1119	1121
1120	1122	1120	1122	1120	1122
1121	1123	1121	1123	1121	1123
1122	1124	1122	1124	1122	1124
1123	1125	1123	1125	1123	1125
1124	1126	1124	1126	1124	1126
1125	1127	1125	1127	1125	1127
1126	1128	1126	1128	1126	1128
1127	1129	1127	1129	1127	1129
1128	1130	1128	1130	1128	1130
1129	1131	1129	1131	1129	1131
1130	1132	1130	1132	1130	1132
1131	1133	1131	1133	1131	1133
1132	1134	1132	1134	1132	1134
1133	1135	1133	1135	1133	1135
1134	1136	1134	1136	1134	1136
1135	1137	1135	1137	1135	1137
1136	1138	1136	1138	1136	1138
1137	1139	1137	1139	1137	1139
1138	1140	1138	1140	1138	1140

WALL STREET + OVERSEAS MARKETS Index down 2.46 in light trading

+ FOREIGN EXCHANGES \$ very weak

GOLD MARKET July 11

BY OUR WALL STREET CORRESPONDENT

STOCKS DRIFTED moderately easier on Wall Street today through a relatively quiet trading session, with nothing to the new to encourage buying.

The Dow Jones Industrial Average was finally 2.46 down at 2053.33, while the NYSE All Company Index lost 16 cents at 354.85.

OTHER MARKETS

Canada firmer

Canadian Stock Markets generally gained further ground in fairly busy trading yesterday.

MONDAY'S ACTIVE STOCKS

Table with columns: Stock, Price, Change, High, Low. Lists active stocks like Genl. Publ. Co., Duke Power, etc.

Indices

NEW YORK - DOW JONES

Table showing Dow Jones index performance from July 7 to July 11, 1977.

STANDARD AND POOR'S

Table showing Standard and Poor's index performance from July 7 to July 11, 1977.

PARIS - Mainly firm, encouraged by the relative cohesion of the Government Coalition and the cancelling of the Anti-Inflation Levy payable in July.

U.S. stocks were weak, while Golds tended easier after Foreign Oils were down, but Germans held steady.

AMSTERDAM - Easier on lack of interest

to Dutch Internationals, Unilever shed Frs.50.

JOHANNESBURG

Table showing Johannesburg stock market performance.

INVESTMENT PREMIUM BASED ON \$2.00 PER £ - 111.1% (112.1%)

Table showing investment premium data for various countries.

NEW YORK, July 11

The U.S. dollar remained very weak in the foreign exchange market yesterday, closing at around its lowest point of the day.

The U.S. dollar ended at DM2.2825 against the West German mark, after touching a low point of DM2.2805.

EXCHANGE CROSS-RATES

Table showing exchange rates for various currencies like Frankfurt, New York, Paris, London, Zurich.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various currencies and terms.

GERMANY

Table showing German stock market performance.

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Large table listing various international stocks and their prices.

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Table showing Paris stock market performance.

BRUSSELS/LUXEMBOURG

Table showing Brussels/Luxembourg stock market performance.

SWITZERLAND

Table showing Swiss stock market performance.

MILAN

Table showing Milan stock market performance.

VIENNA

Table showing Vienna stock market performance.

STOCKHOLM

Table showing Stockholm stock market performance.

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PARIS

STOCK EXCHANGE REPORT

Quietly dull as uncertainties keep buyers on sidelines Markets above worst with share index down 3.9 at 439.8

Account Dealing Dates
Option
First Declared Last Account
Dealing Date Dealing Day
This 27 July 7 July 27

the falls at both ends of the market were reduced to 1 generally from 1 among the longer and nearly that much in the shorts. The overall volume of business was still relatively light and trading conditions continued to be thin. Corporations were undecided and recorded movements extending to 1 in both directions.

Opening rates for investment currency were a point or so lower than Friday's late level and in a very light business the premium eased with a rise of 100 p.p. cent, before steadying to close at 111 point down at 111 1/2 per cent. Yesterday's SE conversion factor was 0.7135 (0.7138).

Among recently-issued equities, Sotheby's met with profit-taking and dropped 6 to 160, thus narrowing the premium on the offer-for-sale price to 15.

Grindlays bought
Firm spots were few and far between in Banks where the leaders generally shed 4 and NatWest came back 2 to 220p. Bank of Ireland were quoted ex scrip issue at 251p, unchanged, while Bank of Scotland moved against the trend with a rise of 100 p.p. National of Australasia gained 9 to a 1977 peak of 275p but this was balanced by overseas issues with a loss of 6 to 333p in Standard Chartered. In Merchant Banks, Grindlays stood out with a rise of 5 to 91p on small buying in a thin market. In Discount Houses, Gerrard and National eased 6 to 132p.

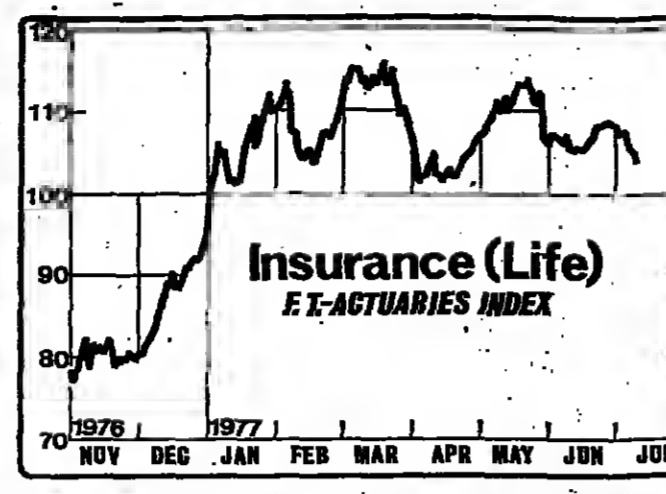
Insurances showed all round dullness with Sun Life easing 3 to 77 1/2 while Bankers had eased 149p, and C.E. Health, 215p, down 4 and 5 respectively, the latter in ex scrip issue form.

Despite a stockbroker's report criticising profiteering on leveraged sales, Brewery concerns passed a quiet session and closed little changed, Scottish and Newcastle, which report preliminary figures to-morrow, were fractionally easier at 50p, while Allied, 70p, and Bass Charrington, 114p, shed a penny and 2 respectively. Interest in Distillery concerns was quiet, with James Watson, 121p, on the advance, while J & J, 125p, to 135p following weekend Press comment ahead of Thursday's preliminary figures.

May and Hassell, down 9 at 60p on the lower profits were one of the few movements worthy of note in the Building sector. Concrete hardened a penny to 121p on the advance, while J & J, 125p, to 135p following weekend Press comment ahead of Thursday's preliminary figures.

At the beginning of a week that has several events scheduled which could have a major bearing on the trend, the market took a cautious view of British Funds. Opening quotations, however, proved to be near the day's lowest as cheap buyers were drawn in anticipation of the announcement of favourable All-Share Price Index later in the afternoon. This was, in fact, confirmed and

the falls at both ends of the market were reduced to 1 generally from 1 among the longer and nearly that much in the shorts. The overall volume of business was still relatively light and trading conditions continued to be thin. Corporations were undecided and recorded movements extending to 1 in both directions.



FINANCIAL TIMES STOCK INDEX
Table with columns for various stock indices and their values over time.

HIGHS AND LOWS S.E. ACT
Table showing high and low prices for various stocks.

ACTIVE STOCKS
Table listing active stocks with columns for stock name, denomination, closing price, and change.

NEW HIGHS AND LOWS FOR 1977
Table listing new highs and lows for various stocks in 1977.

RISES AND FALLS YESTERDAY
Table showing rises and falls in stock prices from the previous day.

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office
OPERA & BALLET
COLISEUM, 01-255 3161. (Credit card booking 240 5535) LAST WEEK. MON. TO FR. 7.30, SAT. 8.0 and 8.30. Seats available. Nureyev will dance at every performance.

RECENT ISSUES

Table of recent issues in equities, including company names and share prices.

FIXED INTEREST STOCKS

Table of fixed interest stocks, including government bonds and corporate debentures.

RIGHTS OFFERS

Table of rights offers, including company names and offer details.

FT-ACTUARIES SHARE INDEX

Table of FT-Actuaries Share Index, showing various equity groups and their performance.

FIXED INTEREST PRICE INDICES

Table of fixed interest price indices, showing yields and prices for different types of bonds.

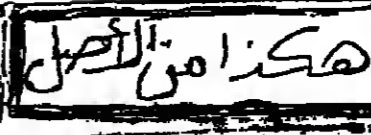
OPTIONS TRADED

Table of options traded, including company names and option details.

DEALING DATES

Table of dealing dates, showing dates for various financial events and transactions.

Vertical text on the right edge of the page, possibly a page number or reference.



AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., and others with their respective details and performance metrics.

Table of Offshore and Overseas Funds listing various international investment funds such as Fidelity World & Res. (Gib.) Ltd., Kempt-Coe Management Jersey Ltd., and others.

BASE LENDING RATES

Table of Base Lending Rates for various banks and financial institutions, including HSBC, Citibank, and others.

RES-Continued

Textual content under the RES-Continued header, likely related to real estate or financial services.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds listing various insurance companies and financial products such as Abbey Life Assurance Co. Ltd., Equity & Law Life Ass. Soc. Ltd., and others.

Advertisement for CLIVE INVESTMENTS LIMITED, featuring details about their Index Guide, Clive Fixed Interest Capital, and Clive Fixed Interest Income, along with contact information.

GOURMET

Textual content under the GOURMET header, likely related to dining or food services.

INDUSTRIALS (Misc.)

FT SHARE INFORMATION SERVICE

Exporting is easier with OPEN ACCOUNT INVOICING. Interested? Talk to INTERNATIONAL FACTORS LIMITED. Circles House, New England Road, Southend-on-Sea, Essex, S.S.17 6AA. Tel: 0707 314444. Fax: 0707 314445. And at Birmingham, Cardiff, Edinburgh, Leeds, London, Manchester.

BRITISH FUNDS

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	Shorts (Lives up to Five Years)	100.00	-0.50	11.20
100.00	99.50	Treasury	100.00	-0.50	11.20
100.00	99.50	Five to Fifteen	100.00	-0.50	11.20
100.00	99.50	Over Fifteen	100.00	-0.50	11.20

CANADIANS

High	Low	Stock	Price	Chg.	Yield
120.00	119.50	Bank of Montreal	120.00	-0.50	11.20
110.00	109.50	Imperial Oil	110.00	-0.50	11.20
100.00	99.50	Canadian Pacific	100.00	-0.50	11.20

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	Bank of America	100.00	-0.50	11.20
90.00	89.50	Wells Fargo	90.00	-0.50	11.20
80.00	79.50	Citibank	80.00	-0.50	11.20

INTERNATIONAL BANK

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	Deutsche Bank	100.00	-0.50	11.20
90.00	89.50	HSBC	90.00	-0.50	11.20
80.00	79.50	Paribas	80.00	-0.50	11.20

COMMONWEALTHS & AFRICAN

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	South African	100.00	-0.50	11.20
90.00	89.50	Nigeria	90.00	-0.50	11.20
80.00	79.50	Kenya	80.00	-0.50	11.20

BEERS, WINES AND SPIRITS

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	Carlsberg	100.00	-0.50	11.20
90.00	89.50	Heineken	90.00	-0.50	11.20
80.00	79.50	Guinness	80.00	-0.50	11.20

FOREIGN BONDS & BILLS

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	US Govt	100.00	-0.50	11.20
90.00	89.50	UK Govt	90.00	-0.50	11.20
80.00	79.50	FR Govt	80.00	-0.50	11.20

AMERICANS

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	IBM	100.00	-0.50	11.20
90.00	89.50	Microsoft	90.00	-0.50	11.20
80.00	79.50	Apple	80.00	-0.50	11.20

BUILDING INDUSTRY - Continued

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	Bovis Lend Lease	100.00	-0.50	11.20
90.00	89.50	Skanska	90.00	-0.50	11.20
80.00	79.50	Worleyparsons	80.00	-0.50	11.20

BUILDING INDUSTRY, TIMBER AND ROADS

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	Timberland	100.00	-0.50	11.20
90.00	89.50	Road & Traffic Builders	90.00	-0.50	11.20
80.00	79.50	Construction	80.00	-0.50	11.20

CHEMICALS, PLASTICS

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	Dow Chemical	100.00	-0.50	11.20
90.00	89.50	BASF	90.00	-0.50	11.20
80.00	79.50	Shell Chemical	80.00	-0.50	11.20

CINEMAS, THEATRES AND TV

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	British Screen	100.00	-0.50	11.20
90.00	89.50	Channel 4	90.00	-0.50	11.20
80.00	79.50	BBC	80.00	-0.50	11.20

DRAPERY AND STORES

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	Next	100.00	-0.50	11.20
90.00	89.50	Debenhams	90.00	-0.50	11.20
80.00	79.50	Primark	80.00	-0.50	11.20

DRAPERY AND STORES - Continued

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	Primark	100.00	-0.50	11.20
90.00	89.50	Next	90.00	-0.50	11.20
80.00	79.50	Debenhams	80.00	-0.50	11.20

DRAPERY AND STORES - Continued

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	Primark	100.00	-0.50	11.20
90.00	89.50	Next	90.00	-0.50	11.20
80.00	79.50	Debenhams	80.00	-0.50	11.20

DRAPERY AND STORES - Continued

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	Primark	100.00	-0.50	11.20
90.00	89.50	Next	90.00	-0.50	11.20
80.00	79.50	Debenhams	80.00	-0.50	11.20

ELECTRICAL AND RADIO

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	DeLong	100.00	-0.50	11.20
90.00	89.50	Electronics	90.00	-0.50	11.20
80.00	79.50	Radio Shack	80.00	-0.50	11.20

ENGINEERING, MACHINE TOOLS

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	DeLong	100.00	-0.50	11.20
90.00	89.50	Electronics	90.00	-0.50	11.20
80.00	79.50	Radio Shack	80.00	-0.50	11.20

ENGINEERING, MACHINE TOOLS

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	DeLong	100.00	-0.50	11.20
90.00	89.50	Electronics	90.00	-0.50	11.20
80.00	79.50	Radio Shack	80.00	-0.50	11.20

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ENGINEERING - Continued

High	Low	Stock	Price	Chg.	Yield
100.00	99.50	DeLong	100.00	-0.50	11.20
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ENGINEERING - Continued

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100.00	99.50	DeLong	100.00	-0.50	11.20
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100.00	99.50	DeLong	100.00	-0.50	11.20
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80.00	79.50	Radio Shack	80.00	-0.50	11.20

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Handwritten Arabic text: "مركز الاستثمار"

YASUDA TRUST AND BANKING logo and contact information.

INDUSTRIALS - Continued

Table of industrial stocks including companies like British Leyland, ICI, and various engineering firms.

MOTORS, AIRCRAFT TRADING

Table of motor and aircraft related stocks such as Rover, Jaguar, and aircraft manufacturers.

PROPERTY - Continued

Table of property-related stocks and real estate companies.

TRUSTS - Continued

Table of various trust funds and investment vehicles.

TRUSTS - Continued

Table of various trust funds and investment vehicles.

MINES - Continued

Table of mining stocks from various regions including Central African, Australian, and Tins.

MISCELLANEOUS

Table of miscellaneous stocks including copper, rubber, and other commodity-related shares.

INSURANCE

Table of insurance companies and their stock prices.

PROPERTY

Table of property-related stocks.

TORACCOOS

Table of tobacco-related stocks.

TRUSTS, FINANCE, LAND

Table of trust, finance, and land-related stocks.

TRUSTS, FINANCE, LAND

Table of trust, finance, and land-related stocks.

TRUSTS, FINANCE, LAND

Table of trust, finance, and land-related stocks.

TRUSTS, FINANCE, LAND

Table of trust, finance, and land-related stocks.

Regional Markets section with sub-headers for Regional Markets, Options (3-month Call rates), and Diamond and Platinum.



Pay policy document ready this week

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MR. JAMES CALLAGHAN, the Prime Minister, promised last night that the White Paper on pay and prices would be published by the end of this week.

At a conference in London of more than 100 employers' and union leaders to discuss the industrial strategy, the Prime Minister re-emphasised the Government's commitment to a target of no more than a 10 per cent increase in earnings in the coming year.

This afternoon, senior Ministers and TUC leaders start crucial final talks on pay policy, expecting that at least little more than a renewal of support for a 12-month interval between settlement and a very general commitment on inflation will emerge.

It was apparent yesterday that the Government has now come to terms with the implications of last week's conference notes that nothing much more specific than this is likely to win TUC support. Even this limited commitment may not be endorsed.

Both sides were last night indicating they regard the outcome of the meeting late this afternoon between the TUC and the Government as a committee and a prime team led by Mr. Denis Healey, the Chancellor, as completely uncertain.

It now seems likely that no statement will be made until the White Paper is published, so details of the Government's proposals will not be known until Friday.

A group of 17 Ministers met twice yesterday to discuss the subject and to agree on the outlines of Government proposals for restraining prices in the coming year, which are likely to go ahead whatever happens.

The obvious intention is to go some way towards meeting the priorities set out in a document prepared for the TUC Economic Committee. These include a rigorous use of powers under the Price Commission Bill, firm action to keep down subsidised industry prices, food subsidies, early and significant reduction, and the consequences of achieving or not achieving this.

From the Government side, Mr. Healey is expected to set out in broad terms his view of what constitutes a satisfactory deal

Strauss hopes for April GATT pact

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, July 11.

MR. STRAUSS' special representative, Mr. Strauss, said today he hoped the GATT multilateral trade negotiations would be successfully concluded by mid-April next year as a result of an agreement with the EEC Commission on a timetable for re-starting the stalled talks.

Mr. Strauss announced the agreement after discussions last night only seven hours. He said it reflected the complete political agreement of the EEC and GATT to reach a comprehensive deal embodying both tariff cuts and a range of other measures aimed at liberalising the rules of international trade.

He told a Press conference that this was "probably the most significant day" of the present get of trade negotiations, also known as the Tokyo round, which has been stagnating since last autumn. On his return to Washington he would deliver "an exceedingly positive report" on the progress achieved by Mr. Carter and Congress.

It remains to be seen whether Mr. Strauss' optimism will be shared by all the governments of the Nine and in particular by France. She has cast serious doubt on the value of further tariff cutting and hinted that she may erect barriers to protect certain industries from foreign competition.

Today's agreement will be examined in two weeks' time by EEC Foreign Ministers in Brussels.

What officials here claim that the agreement is covered by the mandate the Commission received from Governments early in 1975, its validity may be challenged by some member countries.

An EEC negotiating team headed by Sir Roy Denman, the new Director-General of External Relations, flew to Washington this week to put the finishing touches to the timetable, divided into four phases, to announce by July 25 and dates for completion of each phase of four to six weeks.

The aim is to complete the final phase by January 15, after which substantive negotiations would be started. "I would hope that 90 days would see the end of these detailed and final negotiations," Mr. Strauss said.

For today's agreement the U.S. has offered a significant concession to the EEC by modifying its previous insistence that trade in agricultural and industrial products be treated together in the Tokyo talks. The EEC objected that this demand called into question the fundamental principles of the Common Agricultural Policy, which it said were not open to negotiation.

Mr. Strauss reiterated that the U.S. Government's determination to fight the threat of protectionist action in the pending U.S. Steel case-challenging legality of value-added tax rebates on European steel exports to the U.S. There is anxiety in Brussels that a court victory by U.S. Steel could lead to a tidal wave of U.S. protectionism against almost all EEC exports.

THE LEX COLUMN Reed's Canadian trouble spots

Index fell 3.9 to 439.8

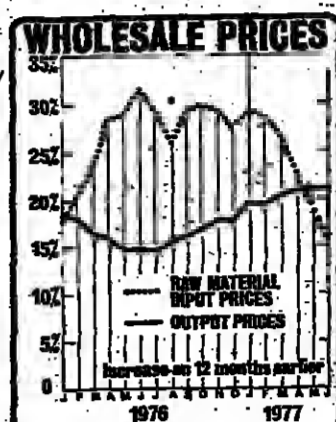
Reed International's accounts bear eloquent testimony to the problems which have resulted from its over expansion in North America during the first half of the 1970s. Its decorative products side lost over \$7m last year, mainly the result of an ill-judged acquisition in 1975. On the paper side, the management reacted with "insufficient rigour" to the downturn in the market, and the group has been involved in heavy and often unproductive spending on plant which has failed to meet expected output, and on environmental improvements. Contested actions have been initiated against two of its Canadian subsidiaries for alleged pollution.

The fact that a payment of £310,000 was made by the Canadian subsidiary apparently without appropriate authority in respect of the group's former chairman, Lord Ryder, may be seen as a symptom of this disarray. However shareholders—whose money is involved—will want to know the identity of the independent third party to whom Lord Ryder had given a "10-year period of service" and from whom he was prepared to accept what he took to be a gift in return for his services.

In the light of this disclosure they may also now query the practice whereby Reed International, as a matter of course, makes ex-gratia payments to executive directors on their retirement last year. These amounted to £67,000, and Lord Ryder received an unquantified payment on this account when he retired.

Major steps are now being taken to bring Canada under closer control and to restrain the use of additional capital in the business. But Reed admits that it is unlikely to be able to trade its way out of its present difficulties without restructuring. Tangible net worth of £27m is dwarfed by loan capital of £39m, (of which a third is repayable within five years) plus short-term borrowings of £50m. Although Reed should be approaching one of the stronger legs of the trade cycle, its gearing ratio is unlikely to fall much this year.

In a key phrase, the present chairman refers to the need to shift resources away from areas where the group has insufficient market strength in favour of businesses where it has proven



skills and an improving track record. The time scale envisaged is around three years, during which time disposals and a further addition to the equity base are clearly envisaged.

Company sector

For the third quarter running industrial and commercial companies were in significant financial deficit in January-March, and taking the statistics at face value the deficit—at £528m, seasonally adjusted—was higher than for any period except the disastrous first three quarters of 1974. This is an alarming deficit for industry to be running in such depressed economic conditions, but there is an easy explanation in the large amount of physical stockpiling that went on in the first quarter. On top of £148bn of stock appreciation (that is, prices) the company sector piled up £148bn of extra inventories. Whatever the reason for this puzzling development it can scarcely continue for long unless the output statistics have gone haywire, and anyway the price trends are now moving rapidly in industry's favour.

Thus wholesale output prices, up another 1 per cent in June, rose at an annual rate of over 20 per cent in the first half of 1977, while employees' earnings seem to have been rising at under 10 per cent (though the National Insurance surcharge three will have added to total labour costs) and raw material prices other than food have hardly increased since January. The 62p yield is 10.9%

Owen quells doubts on staying in EEC

BY MALCOLM RUTHERFORD

IN A SPEECH that could not have been made without the Prime Minister's approval, Dr. David Owen, the Foreign Secretary, came down emphatically last night in favour of continued British membership of the European Community and of working for reform from within.

The speech follows some concern among pro-market members of the Cabinet that the British approach to the Community has been overly negative.

Dr. Owen's remarks to the Labour Committee for Europe were even more remarkable for their tone than their substance. The task of the Labour Party now, he said, "is to accept the will of the people" (as expressed in the referendum), "to argue within the Community for improvement, to reform where necessary, to criticise constructively, but above all to play our part in an evolving Community of nine member States committed to achieve a greater European unity."

In a marked departure from previous speeches, Dr. Owen even defended the Community in areas where it is most prone to attack. The Government, he said, was supporting a determined effort to reform the common agricultural policy (CAP).

But it had to be recognised, he added, that the assurance of supply, at guaranteed prices which the CAP provided, was an important factor in its favour.

Dr. Owen also argued that CAP prices have risen more slowly than non-agricultural prices and had accordingly been declining in real terms. Intervention prices—by which farm incomes are supported—had actually fallen by 10 per cent in real terms since 1968-69.

In another sign of a new readiness to take the interests of other Community members into account, he said: "We must recognise that for some of our partners, the CAP is of fundamental importance."

Dr. Owen's speech was devoted to drawing up a balance-sheet of Britain's membership. On the economic aspects he concluded: "On balance we have gained more than we have lost, but we have no hesitation in concluding that membership has been an advantage to us. As we become used to working within the Community these advantages will become more obvious."

Particular examples of U.K. influence within the Community were its "decisive leadership" in the area of North-South relations and in relations between the Community and U.S. and Japan.

A prime U.K. objective in the Community, he said, was to contribute to its collective political weight in the world, "thereby to help to secure that we are 'every successful attempt at coordinating the foreign policies of the Nine was itself part of the wider U.K. interest'."

It is the generally positive tone of the remarks that is likely to be noticed in Europe and which could be taken as signalling at least the intention of a new start in British-Community relations.

Hawker may bid for Gardner

By Terry Dodsworth, Motor Industry Correspondent

A POTENTIAL bidder for L. Gardner & Sons, the Manchester-based diesel engine manufacturer, emerged yesterday when the company announced the suspension of dealings in its shares during talks with Hawker Siddeley.

It is thought that Hawker, which is expected to have well over £80m each available from the nationalisation of its aerospace resources, will make a firm bid for Gardner later this week.

Yesterday, neither side would elaborate on a short statement from Gardner to the effect that "the talks might lead to an offer being made."

But it seems clear that Gardner's Board has been receptive to the approach. Two members of the Gardner family, which controls about 40 per cent of the equity, sit on the Board.

Gardner has been the subject of considerable takeover speculation since Rolls-Royce Motors picked up a 17 per cent stake about a year ago.

This deal was loosely linked with a scheme mooted by the National Enterprise Board and NEDO to bring the two companies together to form a larger U.K.-based automotive diesel group.

But talks between the two companies have not gone far since then. Rolls, which yesterday abandoned its attempt to acquire Foden's truck manufacturer, has not gone ahead to bid for Gardner.

Hawker already has large diesel engine interests with a turnover of well over £200m, compared with Gardner's £17.6m last year. Whereas Gardner specialises in automotive and marine engines, Hawker's diesel division (Listers, Bettlers and Mirlees Blackstone) finds its main customers in the industrial sector.

This split of interest appears to be a feature in Hawker's approach which appeals to Gardner, which feels it would be likely to stay a discrete entity—within the larger group.

Gardner shares were suspended at 230p yesterday, while Hawker Siddeley shares fell 2p in 1977.

Siemens in major U.S. joint venture

BY ADRIAN DICKS

ZURICH, July 11.

SIEMENS, the West German electrical giant, announced today a major step to strengthen its position in the North American market with the signing of a joint venture agreement with Allis-Chalmers of Milwaukee for production of a wide range of power engineering equipment.

An agreement setting up the new company, with the name Siemens Allis, was signed yesterday, and will come into full effect on January 1.

The deal consists of the new company taking over the electrical products group of Allis-Chalmers. Siemens is to buy a 20 per cent stake immediately, for about \$15m, and will exercise its option to buy a further 30 per cent at the end of 1978.

Dr. Bernhard Plettner, chairman of Siemens, estimated the value of the total investment by the German company at £100m. (€220m), a sum which will pay in cash to the American company.

Allis-Chalmers will not put cash into the joint venture but will in effect relinquish 50 per cent control of the Electrical Products Group.

The former Allis-Chalmers electrical products group, with a turnover which last year reached \$204m, manufactures a wide range of products including electrical motors, generators, switch gear, switch installations, and electrical control and measurement systems. This range is described as being complementary to that produced by Siemens in Europe.

The former Allis-Chalmers electrical products group has an established relationship with Siemens acquiring a foothold in the U.S. market. The company specifically stated that a rise in sales could be attributed to this agreement.

Dr. Plettner said, however, that the German group could not expect to get a foothold in this important part of the U.S. market by exporting equipment manufactured in West Germany. He cited the fall of the \$ against the Dollar in recent years, the much higher relative level of skilled workers' wages in West Germany, and the uncertainties of trade policies as reasons why Siemens now believes it must have a permanent presence in the U.S. market if it is to be able to benefit from the opportunities offered there.

Day-to-day management of the Siemens Allis joint venture will remain firmly in American hands—another advantage, Dr. Plettner said, of this method of expansion. The whole of the U.S. market is to be served by the alternative which would consist of trying to serve the market from Europe.

Siemens is already present in the U.S. market in a variety of different sectors, including medical technology, computer and peripheral equipment components and various electronic products.

Thatcher economy cure

BY RUPERT CORNWELL, LOBBY STAFF

THE ONLY CURE for Britain's sluggish economy lay in restoring "incentives for people to work" to create new wealth Mrs. Margaret Thatcher said last night. She would tackle wage inflation by "facing workers with reality" by pay settlements unmatched by an increase in productivity, would lead to a higher unemployment, minimal growth, inflation diminishing only slowly.

But she doubted if she could put her ideas into practice as early as autumn, and acknowledged that for all its problems, the Government pact with the Liberals might stave off a General Election for "some time".

Mrs. Thatcher drew a clear distinction between improved incentives and "reflation." To reflate when unemployment might stand at 2m, and when inflation was in double figures would be irresponsible and pave the way for 3m unemployed, she alleged.

Redistribution of wealth "had gone as far as it could" more help for the worse-off could be achieved only by "creation of new wealth. Good intentions aren't enough. You do need hard cash."

The answer, according to Mrs. Thatcher, lay in something which rose by 2.75 per cent last month and by 3.75 per cent during the last three months.

However, the recent rate of increase in output prices generally has been rather higher than might have been supposed in view of raw material and labour cost pressures.

Consequently, companies may have been trying to expand profit margins ahead of an anticipated acceleration in wage costs after the end of Phase Two this month.

There may also have been a desire to increase wholesale prices before the new price investigation system comes into operation.

In the past 12 months, raw material costs have risen by 15.2 per cent, while output prices have increased by 21 per cent.

Moreover, while the inflation prospects are at last looking more encouraging, and the 12-month rate of retail price inflation should start to come down within a couple of months, it is not yet clear whether the improvement will be as large as the Government has been projecting.

Continued from Page 1 Output prices

Increase of 61 per cent in the last three months.

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Picket law hint

A rally followed in Romford Park, addressed by MPs, trade union leaders and other personalities associated with the dispute.

The strike leaders claimed a major victory when all but one of the union van drivers in the company joined the demonstrators as strikers. Mr. Oswald Grant, one of the drivers said: "We came out immediately the Transport and General Workers' Union made the dispute official."

The action came as a further threat to the factory's continued operation. It has already been seriously hampered by hacking of mail by postal union members at Crickwood Sorting Office. Other union action recently has aimed at cutting off its supplies.

American airlines move to match Skytrain

BY JAY PALMER

NEW YORK July 11.

PAN AMERICAN World Airways and Transworld Airlines are planning to meet head-on the challenge from Britain's Laker Airways transatlantic Skytrain service by offering similar fares together with free meals for some form of advance reservation.

The two American airlines are about to ask the U.S. federal aviation authorities for permission to start flying Skytrain-type services this autumn. The whole issue of North Atlantic cheap fares is to be discussed at an International Air Transport Association meeting in Geneva this week.

Although fare levels are expected to be virtually the same as the \$226 set by Laker, the Pan Am and TWA schemes are likely to be different from Laker's no-frills and no-reservation package.

Pan Am's scheme, which officials confirmed would be filed with the U.S. civil aeronautics board later this week will provide advance reservations although it appears that would-be passengers will have to forego some features of normal services.

Under Pan Am's present thinking the cheap-fare passengers would make reservations some three or four weeks before planned departure, but the airline would, about a week before departure, nominate the particular day and time of the flight. Passengers would be notified and about 50 per cent of the ticket price would be forfeited for cancellation.

Although TWA's scheme is still being kept confidential, the airline is also believed to have identified Laker's no-reservation feature as the biggest weakness. In order to avoid the situation where would-be passengers are turned away after queuing for some hours, TWA will certainly have some form of reservation.

Michael Donne, Aerospace Correspondent, writes: British Airways said yesterday that so far it was not planning any additional special fares to compete directly with Skytrain. It would depend, initially at least, on what it believed were its already competitive advance booking charter (ABC) fares.

On the ABCs the passenger has a guaranteed seat in each direction, with meals and drinks included, whereas on Skytrain no reservations are permitted, seats being sold on a first-come, first-served basis, with meals and drinks extra.

Although Skytrain is not formally on the IATA meeting agenda, it is clear that it will dominate the discussions.

Many air transport observers believe that the Geneva meeting could result in an agreement among the other scheduled airlines on the route to introduce a new form of competitive fare, called "super advance purchase excursion." This Super Apex rate would be deliberately aimed at matching Skytrain.

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STATEMENT OF CONDITION, JUNE 30, 1977

ASSETS

Cash on Hand and Due from Banks	\$141,921
U.S. Government Securities, Direct and Guaranteed	58,347
State Municipal and Other Public Securities	59,399
Member Firms Sold	35,000
Loans and Discounts	165,000
Customers' Liabilities on Acceptances	21,256
Other Assets	25,364
Total Assets	\$508,379

LIABILITIES

Deposits	\$438,399
Federal Funds Purchased	10,000
Acceptances Less Amount in Portfolio	21,438
Other Liabilities	4,896
Total Liabilities	\$474,733
Capital	\$12,000,000
Surplus	19,185,284
Total	\$308,379

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